

Barking Reach Residents Association Meeting Minutes
Wednesday 24 February 2021
7.30pm, Google Meet

Attendance: 67

Meeting started: 7.35pm

The agenda: was agreed.

AGENDA

1. Right to Manage with guest speaker Stephen Wiles, Prime Property Management (Prime PM)
2. Caspian Quarter campaign for RA's recognition
3. Flammable cladding issues
4. Service charge
5. Heating and hot water
6. Any Other Business

Minutes and matters arising

Move service charge up the agenda as item 3 then flammable cladding.

Matters arising

Chair Pete Mason mentioned the annual general meeting (AGM) and affirmed the decision of the last meeting, but added that the residents association (RA) may hold its AGM in June with lockdown restrictions lifting, but it may also be delayed if it is not safe to do so.

1. Right to Manage with guest speaker Stephen Wiles, Prime PM

Stephen introduced the company (<https://primepm.co.uk/>). It only manages blocks for the leaseholders, and it only takes instruction from flat owners. It does not act for large corporate freehold companies, and the company makes sure that leaseholders get good value for money from their service charge.

Stephen explained that Right to Manage (RTM) enables leaseholders to form a majority and take over their block management without the consent of the existing agents. He said Prime PM is a strong supporter of the RTM process, because he believes that leaseholders should be in control of their blocks.

Stephen also noted that Prime PM can provide a complete RTM solution for the various blocks on the estate. Prime PM will manage and administer the process in its entirety from start to finish and leaseholders don't have to do anything except give Prime PM the go ahead.

Pete opened the meeting for questions. See appendix 1 for a list of 24 questions asked during the session and the answers given by Stephen Wiles.

2. Caspian Quarter campaign for RA's recognition

On behalf of the committee, Joanna, resident at Farsby House, explained that following a residents meeting between Caspian Quarter residents and their managing agent Encore as a result of a fire safety survey, residents overwhelmingly felt that the RA should become officially recognised by the landlord Adriatic.

This was agreed unanimously at the last RA meeting in January as recorded in the minutes.

Through this official recognition, the RA will be able to represent residents and protect their interests, inform residents of their legal rights as leaseholders and tenants, and demand the landlord/agent that shared spaces and buildings are properly maintained, and at a reasonable cost.

For the recognition process to take place the RA will need at least 50% of leaseholders in Caspian Quarter to join the Barking Reach Resident's Association (BRRA) as a member. It's free to join and anyone (tenant or leaseholder) can join.

Following the January RA meeting's decision, the RA set up a recognition group with several residents from all six blocks and the group has produced an online form which can be accessed through the RA's website. This produced and printed two leaflets which the group will soon start distributing.

For Farsby/Dalton houses there are 94 flats so the RA will need at least 47 signatures.

For Beach/Breacher houses there are 134 flats so the RA will need at least 67 signatures.

For Sandy/Cornelius houses there are 86 flats so the RA will need at least 43 signatures.

So in total the RA will need at least 157 signatures on all six blocks.

Zara, a committee member and Caspian Quarter resident, said the form is very straight forward to fill out and only takes 2 minutes.

3. Service charge

Several residents throughout the whole of the estate have been asking their respective managing agents for copies of invoices as many are disputing their service charges.

One particular group of residents on Beach/Breacher houses (Caspian Quarter, phase 1) have been complaining about their cleaning service, which the managing agent Encore claims to be on a daily schedule. Residents have taken photographic evidence of many dirty areas not being cleaned for weeks, complaining of the poor service and high cost being charged.

On phase 2, several residents have also complained of high costs for services some residents don't even enjoy. For instance, committee member Adam has been charged for communal services such as lift maintenance when in fact he has no access to a lift. L&Q has also renamed services and added new service lines to residents' bills. Complaints have been raised with the L&Q team.

4. Flammable cladding issues

There is no update yet on the Caspian Quarter's fire survey. Encore has communicated to several residents that a reply will be formulated by next Tuesday.

This report had been expected since December and had been continually put off.

The chair, Pete Mason, proposed that if the report was not produced by Tuesday, on Wednesday the RA would launch a big campaign for a mass meeting of Caspian quarter for the following Wednesday, giving Encore one week's notice to turn up and explain themselves, and to invite councillors and the MP as well.

This was agreed unanimously.

5. Heating and hot water

Adam, an RA committee member and resident of Rhodes Mansion, said that hot water was reinstated to the block in its entirety this week. Vital stated they had changed the filters. If that was indeed the issue, it was odd that water pressure wasn't impeded but heat was! Nevertheless, the supply issue is resolved, and if it was a filtration issue, it does highlight a significantly neglect of maintenance. L&Q energy have stated they were not willing to offer any compensation to any resident.

Adam has sent an email to L&Q Energy complaining about this.

Phill, also an RA committee member and resident of Pedley House, said that no filters had been replaced yet for Pedley House. This was reported to be simply because the heating engineers cannot find the keys to the building's heating room. Bellway has been contacted and residents are expecting the heating engineers to come by Friday.

On Samuel Garside House (SGH) it has also been reported by several residents that there is a lack of heating and hot water as new meters are installed. Several residents have lodged complaints with managing agent RMG.

6. Any Other Business

Anna Pollard of Church at Barking Riverside had a message for residents:

“As we approach 1 year since the start of the first lockdown, Church at Barking Riverside wanted to mark what a year it's been. We're hoping to finalise planting a tree, livestreamed, with different members of the community involved with a moment to pause, remember and look to the future with hope. In light of restrictions that won't allow us to gather in person, we're planning to open nominations up for a local resident to plant the tree and cover it with soil contributed by local groups and organisations.

This is intended to be a starting point, we would love to have a conversation as a wider community for a memorial or ideas to commemorate loved ones we've lost and celebrate our community as we continue through the pandemic and beyond.

We'll share more details through the resident's facebook page as they're confirmed.”

A resident from Northgate Road shared a strange bit of information: one of the balconies on her newly-bought flat is not registered properly with the land registry (the balcony is on the ground floor). The resident said that this could potentially affect the whole of Billington House and urged residents to get in touch with L&Q.

Meeting ended 9.01pm

Appendix 1

Questions posed by residents to Stephen Wiles of Prime Property Management during the Barking Reach Residents Association's monthly meeting held on Wednesday 24 February 2021

1. If a person owns two flats in a block, and assuming that means two leases, does that count as two flats towards the 50% or just one?

Very good question and I have never found the answer to this in legislation or case law. For safety, I always consider one person to be one member irrespective of the flats they might own.

2. Leslie Hitchcock has five commercial properties, shops, on its ground floor. Do we add them to the total of flats do that we need to get 50% of flats plus shops? Specifically, 57 flats plus 5 shops.

No, it would need 57/2 (so 29 flats as members).

3. What are the benefits of Right to Manage?

Improved control, transparency - being able to select a managing agent.

4. How do you make profit? Do you add a certain percentage on to service costs? Or a yearly managing fee?

Just our management fee and any major works fees. No % is added to service costs.

5. What clear steps do leaseholders need to take individually and collectively to commence the RTM process

If we are managing the process - they just need to sign the form they are sent!

6. What are the costs involved in setting up RTM?

You will need to pay someone to progress it for you, and also there will likely be legal fees from the claim notice recipients (they are entitled to charge these costs back to the RTM company). Our arrangement means that you do not need to pay us to perform the RTM for you.

7. Is there a legal way you can force previous management companies to provide invoices and be transparent?

Yes, although this is outside of RTM. Leaseholders have this right.

8. Who appoints the directors if we win the RTM?

The members elect the directors.

9. How about if the leaseholders who don't sign up, will they be forced to accept the RTM process?

Yes, if the building is eligible. As long as a majority support it then all lessees must accept it and still pay their service charge.

10. How heavily involved does a director need to be? Could you please go through the primary responsibilities of a director?

Primary responsibilities are here: <https://www.gov.uk/guidance/being-a-company-director>

The involvement is completely under the individual's control - some directors allocate a lot of time to their role but equally some allocate very little. Both methods are fine and we work with both!

11. How do you ensure that you use cost effective suppliers for works required?

We use local contractors and tender out any significant works. Lessees/Directors are free to appoint contractors of their choosing.

12. Where the actual cost for a year is greater than the estimated cost at the start of the year, are we charged retroactively? And How soon after the financial year do you review and balance your account?

Yes, we still have to follow the lease terms, so any deficit should be charged. This would normally be done about 3-4 months after the year end.

13. Is there a limit on the number of directors? And what is their legal liability?

No limit. They do have some liabilities (as above) but we would place an insurance policy for them to cover them from being sued.

14. Is there a way to secure existing repair funds accumulated over the years through service charges from the current management?

Yes, the current agent is required by law to handover any unspent funds. We can have this independently determined if the amount does not look right.

15. What happens if someone doesn't pay for service charge? Would other residents responsible for the debt?

No, we would pursue them legally in the same way the current managing agent does now.

16. Have you come across situations where it has been difficult for directors to come to an agreement/decision?

Sometimes. But it's rare. Major decisions can be put out to the lessees for a vote, if need be.

17. What happens with 'sinking fund' when there's an RTM in place?

It is passed over from the outgoing agent and then we hold it in a client bank account dedicated to the site.

18. Once we win the RTM, will we always be RTM? What if we are not happy with the RTM company? Do we change the RTM company? Also, what if one of the 'directors' sells or moves away?

Directors can resign if they sell, and new directors can be elected. If there is dissatisfaction with the RTM then the best thing to do is raise this at a general meeting and persuade the directors to act in a different way. There is not really a facility to change RTM companies.

19. What are the steps required to get the process started? And does Prime PM assist through the entire process?

Yes, we do the whole process. So far we have set up the company and now we will begin recruiting members.

20. Does RTM mean that leaseholders will not have to wait years for the balancing charges / actual cost of past periods of service charge?

It does mean that, yes. These will be done a few months after year end.

21. How would you appoint directors?

They are elected by the members.

22. Would the contract with Prime cover the legal costs if a leaseholder has to be taken to tribunal to cover the service charges?

If we need to recover service charge legally then the costs are almost always borne by the offending lessee. There are some very rare occasions when this is not possible. If this happened we would brief you in advance.

23. Does there need to be a minimum number of 'directors'?

Yes, 1.

24. Can you share a sample of your 2018/2019 service charge invoice with us so that we can gauge your services and charges?

We produce invoices for a couple hundred buildings and they vary a great deal, depending on that particular building's requirements. I am not sure this would be of any use to you.