

THE HAMPSTEAD GARDEN SUBURB TRUST LIMITED
ANNUAL GENERAL MEETING AT THE FREE CHURCH HALL NORTHWAY NW11
Wednesday 19 September 2007 at 8pm

Present: Dr Mervyn Miller (President)

Mervyn Mandell (Chairman, elected Trustee)
Phillipa Aitken (appointed Trustee: Royal Town Planning Institute)
David Bogush (elected Trustee)
Wilfred Court (appointed Trustee: Victorian Society)
Simon Hurst (appointed Trustee: Royal Institute of British Architects)
Wendy Miller (appointed Trustee: Law Society)
Charles Zeloof (elected Trustee)

Jane Blackburn (Trust Manager)
David Davidson (Architectural Advisor)

139 residents and Members

Apologies: Cllr Andrew Harper
Cllr John Marshall
David & Marjorie Harris
Margery Duckworth
Mr & Mrs Max
Miss Faulkner
Jeffery Turner
Mary Fraser
Terry Brooks
Lady Diana Woodfield
Patrick & Joan Laurance.

The Chairman welcomed everyone to the thirty-ninth Annual General meeting of the Hampstead Garden Suburb Trust. He introduced himself, his fellow Trustees, the Trust Manager and the Trust's Architectural Advisor.

He reviewed the past three years since he had become Chairman of the Trust Council. For the first six months he had, virtually single handed, run the office in the absence of a Trust Manager. In March 2006 a Trust Manager was appointed and the process of improving the Trust's systems and practice, including its response to challenges from developers, had begun in earnest.

The Chairman, supported particularly by Mervyn Unger and David Bogush, had worked to enable the Trust to become more commercially aware in its outlook in order to stabilise its long term financial viability. A new firm of auditors had been engaged. One of the flats above the Trust office had been totally refurbished and re-let at a commercial rate. The aim throughout the process of improving the Trust's finances had been to be fair whilst ensuring that the charity's interests were properly protected.

A group of Suburb residents had been brought in as volunteers to help with the running of the office and produce the Gazette; the volunteers had also assisted the Trust Manager to formulate policy for consideration by the Trust Council. One such proposal relating to the implementation of a progressive charge for the Scheme of Management was eventually rejected by the Council.

In the last year the Trust had been challenged through applications to the Leasehold Valuation Tribunal (LVT) by two groups of residents. In addition, developers had challenged the status of the Scheme of Management and had applied to the Lands Tribunal (LT) to vary restricted covenants within their freehold title.

The Trust had defended all these actions. The challenge to the amount of expenditure of the Scheme of Management was rejected by the Leasehold Valuation Tribunal: the charge was held to be reasonable and the group was not granted leave to appeal. On a second application (regarding the distribution of charge) the Leasehold Valuation Tribunal had stated it did not have jurisdiction; however the applicants were given leave to appeal to the Lands Tribunal. As matters stood the Scheme of Management could only be changed by at least one third of the total number of freeholders; the Trustees had received legal advice that it was not in the best interests of the Trust for the basis of the charge to be open to challenge by a single individual.

The Trust Council had felt it was important to defend all these actions believing that the majority of Suburb residents supported the way the Trust had been run in recent years, and supported the Scheme of Management.

The Chairman thanked both the appointed and non-appointed members of the Trust Council: he said finding capable volunteers with the right credentials was not easy, and praised the contribution of all the Trustees over the past year. He felt that the personal criticism which he had endured had added to the difficulties of running the Trust.

It was suggested by the Trust Council that in future the membership of the Trust company should be increased and that there should be an accountant on the Trust Council.

The Chairman considered that the report and accounts presented to the meeting confirmed that he left the finances and running of the Trust in far better shape than when he had taken over three years ago. He hoped that the new Trust Council would continue to improve the finances of the Trust, to control infringements and development and to keep the management charge at an acceptably low level.

He hoped the Suburb would continue to flourish for another 100 years. There should be a common aim; to ensure the Trust survived in a strong form, to serve, enrich, and preserve the unique character of this community.

Pia Duran, Asmunds Hill, asked how many people were now members of the Trust. The answer was over one thousand.

The Chairman then asked the Trust President, Mervyn Miller, to say a few words.

The President thanked Mervyn Mandell for all the time and effort he had put into the Suburb Trust. He referred to the very successful Suburb centenary celebrations, including the Pageant, so ably orchestrated by the Residents Association, and the centenary conference organised by the Town and Country Planning Association which was held partly on the Suburb and attended by HRH The Duke of Gloucester. He reminded

everyone of the important role of the Trust in the conservation of the Suburb and the need for all residents to support the Trust in joint stewardship for its future and the ideals of its founders. The exhibition of ongoing work on the Suburb Character Appraisal was an important demonstration of close and effective collaboration between residents, the Trust, the London Borough of Barnet and English Heritage. He hoped that the meeting tonight would approach the complex and even contentious matters to be discussed in the spirit of friendly co-operation which had characterised the centenary celebrations.

1. The Trust Council's Report and Accounts for the year to 5th April 2007

The Chairman then moved on to the Annual Report & Accounts, and passed over to the Chairman of the Finance Committee, David Bogush.

David Bogush opened by stating that he was not an accountant; he felt strongly that the Trust needed the advice of an accountant. In the past companies had depended on their auditors to give such advice but now the auditors could only audit the accounts. Without an accountant to advise them the position of the Trustees had been difficult although the Trust had instituted a Finance Committee which would help matters in future.

He asked members to note that there was a typographical error on page 14 - the sub heading "resources expended: after costs of generating funds" should be omitted. The change to the format of the accounts was to conform to Charity Commission regulations.

This had been the best year ever in terms of the finances of the Trust, largely due to Mervyn Mandell's efforts. The management charge for 2006-07 was down to £77. He felt that it would have been more like £70 were it not for the expenses of the Leasehold Valuation Tribunal.

Questions and comments on the Annual Report & Accounts were invited.

Steven Licht, Wildwood Road, said one of the main causes of aggravation in the past year or more had been the £110 Management Charge. This had now been reduced to £77: had so much upset been necessary?

David Bogush replied that this was an interesting question. At the time the Trust did not have a full accountancy system and was using old software. This had made it difficult for the Trust Manager and the strategic advisor she had at the time. At the end of 2005 the Trust Council had been told that the Trust was at risk of insolvency and that £3 million pounds needed to be raised to create a reserve. It had been proposed that the flat above the Trust office be converted to office space at a cost of £18,000 and an endowment officer appointed at a cost of £28,000 pa. This proposal was eventually rejected by the Trust Council.

The Chairman added that the Trust had budgeted for legal fees in relation to the application to the Lands Tribunal in respect of 24 Ingram Avenue which had not been expended. This was now likely to happen in 2007/8 and would carry over into 2008/9.

Denis Ross, Reynolds Close, asked about the bank loan of £96,000 referred to in paragraph 16 of page 22 and questioned what purpose this served.

David Bogush again emphasised the need for an accountant. The Trust had been in cash flow difficulties and needed additional funds without the expense of an overdraft. The loan was being actively re-paid.

Mervyn Mandell commented that one of the flats above the Trust office had required complete renovation at a cost of about £50,000. Everything had been happening at once.

David Iwi, Raeburn Close, asked why a figure had not been placed on the expenditure of the legal action in relation to 24 Ingram Avenue. What if the Trust were to lose?

The Trust Manager explained that the action, under the Law of Property Act, had been brought against the Trust by a developer. The Trust had legal advice that in the circumstances it could not be required to pay the other side's costs.

David Iwi felt that the Trust should not go in for litigation without taking the cost into consideration and once more asked what the figure would be.

The Chairman answered that it was important that the Scheme of Management be defended. If the demolition of 24 Ingram Avenue was allowed to go ahead then this could weaken the powers of the Trust to the serious detriment of the Suburb.

Wendy Miller was anxious not to get into the details as the AGM was a public meeting and there might be representatives of the developer concerned present.

However the developer of 24 Ingram Avenue had taken his case to the Lands Tribunal to modify the restrictive covenants in the freehold transfer and in the Scheme of Management. The Trust should defend this as its stewardship of the Suburb through these covenants is vital. The Trust must be seen to be prepared to act to protect Hampstead Garden Suburb; developers could not be allowed to think that their deep pockets would deter the Trust from contemplating legal action.

The Chairman asked if there were any more questions in relation to the accounts. There were none.

Eva Jacobs, Sutcliffe Close, proposed the motion to receive and approve the Annual Report and Accounts for the financial year ending 5 April 2007, this was seconded by Richard Wakefield, Hampstead Way, and passed unopposed.

2. Elections to the Trust Council

Four residents, Pia Duran, Geoffrey Marriott, Richard Wakefield and Angus Walker had been duly nominated for the four vacancies for elected members of the Trust Council. Mervyn Mandell declared them elected unopposed and invited them to introduce themselves:

Pia Duran explained that she has lived on the Suburb for most of her life, has been involved in the community and was Chairman of the Allotments Committee. She was an active member of Fellowship and attended Resident Association meetings. She had been on the Trust Council in the 1990s and had recently retired from the NHS. She would like to follow up on the good work done by the current Trust Council.

Geoffrey Marriott said that he has lived in Belvedere Court for 30 years. He was a chartered surveyor and supported a progressive management charge.

Richard Wakefield noted that he had been on the Trust Council previously but had resigned in May 2007 over the issue of the progressive charge. Nonetheless he felt that the Chairman had done a tremendous job and congratulated him for appointing the current Trust Manager.

Leon Smith, Hampstead Way, asked if Richard Wakefield had been the instigator of the desire to change the management charge structure, which had involved the Trust in thousands of pounds of legal fees; whether he was committed to such a change and whether there should be a vote on it.

Richard Wakefield responded that an application to the LVT was meant to be the cheap way of doing things. He agreed that a vote might be a good idea.

The Chairman said that if the matter went to the LVT then of course there would be a cost involved. He explained that any person wanting to change the basis of the management charge was required to have the support of a third of Suburb freeholders. Otherwise every year anyone could go to the LVT and try to change the Scheme of Management for any reason. The Trust had received advice on this from a leading firm of solicitors.

Angus Walker stated that he has lived (in North Square) on the Suburb for 25 years. His interest in the Trust dated from working as a volunteer in relation to finance and strategy. He was of course an avid supporter of the Trust and also an advocate of the banded charge. If this could be implemented he believed it would increase the support for the Trust. It was a matter of regret to him that the Trust Council had felt they did not want to support a banded charge. He was not a Trustee today, but he would be tomorrow. He explained that his application to the LVT was not a criticism of the Trust, just an attempt to get things right. He had asked the LVT whether they thought the formula on which the management charge is levied was reasonable.

Two anonymous people felt Angus Walker had a conflict of interest in becoming a Trustee.

Peter Beesley, Rotherwick Road, was asked for his opinion: he was a resident himself and would have a conflict of interest regarding a progressive charge. Whether the matter proceeded any further was for the new Trust Council to determine. It was a matter for the months ahead.

Angus Walker replied that the application he made to the LVT was now dead, as the LVT had said they did not have the jurisdiction to rule on the case. There was now an appeal to the LT. He had been outside the Trust for nine months at least and had resigned as a volunteer to make it plain to the LVT that he was not a part of the Trust.

Andrew Morris, Ruskin Close, questioned why the status quo needed to be changed. The charging system had been like that for some years. If the Trust was now in a good position what reason could there be for change?

Angus Walker replied that the single reason for change was that the charge should now be made progressive. The charge was currently uniform for all properties, whereas the value of properties varied by a factor of 100; this was not fair. The Leasehold and Commonhold Reform Act of 2002 had made it possible for individual freeholders to get action cheaply and easily. The LVT has said that they can provide justice on every aspect of the estate charge, except on how the charge is allocated. This seemed inconsistent.

Andrew Morris responded that capital value was an irrelevance. Residents' ability to pay was not an issue. There must be a democratic way to sort this out - he suggested a vote.

Angus Walker said that he would not be able to answer this properly until he became a Trustee and had access to all the relevant information.

David B Lewis, Wildwood Rise, Chairman of the Residents Association, thanked the Trust Council for their work during the year. He reported that the RA had passed a resolution preferring a progressive charge and had suggested a ballot. He hoped that the new Trustees would accept this idea. The RA was concerned over costs.

Colin Gregory, Denman Drive, commented that he had been at a meeting some years ago when Kit Ikin had called out from the back "I'm bored"! You needed to be as venerable as him before you could do that. What other things did Angus Walker see the Trust doing?

Angus Walker replied that he saw the biggest threat to be from over development, which the Trust must continue to resist. Further discussion was required regarding the long-term finances of the Trust. He would like to increase residents' support for the Trust and saw the Area Character Appraisal as a very important way of helping this process.

3 The appointment and remuneration of the auditors

The motion to re-appoint haysmacintyre as the Trust's auditors and to authorise the Trust Council to agree their remuneration was proposed by Michael Milner, seconded by John Freeborn and passed unopposed.

4 General questions were then invited by the Chairman.

Len Baker, Temple Fortune Lane, asked about the differential between leaseholders and freeholders. There was a big difference between the amount of the management charge and ground rents. Was there any way to change this?

Wendy Miller answered that the ground rents in leases had been fixed many years ago. They were out of kilter with costs now. The Trust was encouraging leaseholders to enfranchise, but could not make people do that.

The Chairman mentioned that some leases were quite restrictive and this may become a factor.

Paul Lister, Gurney Drive, asked if the residents of 'better houses' ended up paying more management charge, would they get more privileges?

Geoffrey Marriott responded that the answer to this question was no, larger houses would not get more privileges.

The Chairman said that when he gave evidence for the Trust to the LVT he had seen no correlation between big or little houses; the benefit of living in the Suburb was the same for all. It was the environment of the Suburb which was important.

Paul Lister made the point that there was a difference between a house shared between four people or just one person.

Jenny Stonhold, Midholm, commented that she didn't think there had been a problem until the management charge was put up. Some people still found it very difficult to find the money. The cost should be based on the number of people living in a property.

An unnamed resident brought up the issue of mobile phone masts. The mobile phone companies made applications in August when people were away and so could not object.

The Architectural Advisor answered that there was nothing that the Trust could do to stop this once and for all as applications were made to Barnet and not to the Trust. The Trust wrote to Barnet to oppose such applications but the locations were on public roads and so not directly within the Trust's jurisdiction.

Joyce Morrison, Willifield Way, added that community action was of value; residents were concerned about a proposed mast near the school. A petition had been signed by 90 people.

Andrew Botterill, North Square, asked a series of questions relating to the Trust's legal costs, in particular as they were set out in the letter from the Chairman of 31 August 2007 which quoted 'costs per freeholder' in relation to legal costs the Trust had incurred. Could residents be told for this year and last year what the bills for lawyers were in relation to both applications to the LVT.

The Trust Manager responded that the Trust's costs in defending the application for which Angus Walker had been the lead applicant was £8,500 for 2006/07, and so far for 2007/08 was £14,960, a total of £23,461. The action defending Mr Papadopoulos' application for 2006/07 cost £3,600 and for 2007/08 so far nearly £13,000. With respect to the challenge to the amount of the charge and the increase in it; the decision the LVT had come to was very helpful, as were the LVT's comments when it had refused leave to appeal. The decisions were on the website.

Andrew Botterill said that although the decisions were sound it had been a case of the sledgehammer versus the nut (he apologised to Mr Papadopoulos for the analogy). He asked whether there were any new legal actions in the pipeline.

The Chairman replied that that would be up to the new Trust Council.

Simon Abbott, Hill Close, believed that the Trust was doing a good job on the built environment, but wanted to ask about the social fabric. He hoped that this issue would get pushed up the agenda for the new Council.

Alan Brudney, Temple Fortune Hill, asked for the Trust's opinion on a traffic matter. Some side roads were very narrow; if some were made one-way would life not be much calmer?

The Chairman answered that unfortunately the Trust had no influence over the highways; they were the responsibility of Barnet Council.

David Hyman, Meadway Close, was troubled that a person who had been 'fighting' the Trust was now going to be a Trustee, and asked if it was the same Angus Walker? He wanted to be assured that there would be no conflict of interest.

The Chairman replied that the four incoming Trustees had been duly elected.

Simon Abbott commented that in charity law there was no concept of a general conflict of interest. If a trustee had a conflict of interest on a specific matter it must be declared.

Colin Gregory brought up the matter of trees, the law favoured buildings and pressure is therefore put on people by insurers to remove trees. What could the Trust do about this, with Barnet? Would the Trust campaign on this issue?

The Trust Manager responded, saying she wished she could say something more positive, but agreed that the law valued buildings over trees. Jerry-built extensions were valued above magnificent oaks. The Trust worked closely with Barnet's Tree Officers but could still be unsuccessful. The BBC was currently taking an interest in relation to 57 Denman Drive and 15 Reynolds Close as part of a documentary and this might provide further assistance.

Léonie Stephen, Willifield Way, commented that there were many remedial measures which could be taken instead of felling a tree. Removing trees was often more dangerous. The idea that a 300 year old tree should be taken down to save a house was monstrous. It used to be that if you said to an insurance company that you would not give consent for a tree to be felled the house would be underpinned instead. Now the insurers would charge Barnet or the Trust for the cost of the underpinning.

David Bogush said he was grateful to have heard Richard Wakefield's earlier opinion that the LVT costs should be nil. However, he found any criticism of the amount of money spent on lawyers quite bizarre. He asked whether the new Trust Council would use cheaper lawyers who would not be so expert.

The Chairman said that Joyce Morrison had asked him to mention Fellowship House: anyone over 60 could go there to enjoy music, lectures, exercise classes and Tai Chi.

The Chairman then handed over to Wilfred Court who spoke about each of the retiring elected Trustees, David Bogush, Mervyn Mandell and Charles Zeloof, in turn; saying how much they had each contributed to the work of the Trust Council and extending the thanks of his fellow appointed Trustees to all of them, but most of all to Mervyn Mandell for his fair and able chairmanship of the Council.

The Chairman responded by saying that he wanted to acknowledge the hard work of the appointed Trustees; Pippa Aitken, Wilfred Court, Simon Hurst and Wendy Miller. They did not live in the area but put a tremendous amount of time and energy into the Trust. He also thanked the Trust staff and the Trust Manager.

The Trust Manager invited everyone to stay and have a glass of wine, mix and mingle and look at the Character Appraisal exhibition. She extended her personal thanks to Mervyn Mandell.

The meeting closed at 9.30pm.