

THE HAMPSTEAD GARDEN SUBURB TRUST LIMITED
MINUTES of the ANNUAL GENERAL MEETING AT THE FREE CHURCH HALL NORTHWAY NW11
Wednesday 15 September 2010 at 8 pm

Present: Angus Walker (Chairman, elected Trustee)
Judith Chaney (elected Trustee)
Geoffrey Marriott (elected Trustee)
Terry Brooks
Alan Jacobs
Eva Jacobs
Peter Warland
Anne Walker
Robin Marks (Honorary Accounts Consultant)

In attendance Jane Blackburn (Trust Manager)

The meeting being quorate, the Chairman proposed that the meeting be opened and immediately adjourned to the Henrietta School Hall. This was seconded by Alan Jacobs and agreed by all the above

The meeting reconvened at 8.05pm in the Henrietta Barnet School Hall.

CONTINUATION OF THE ANNUAL GENERAL MEETING OF THE HAMPSTEAD GARDEN SUBURB TRUST LTD.

Present Angus Walker (Chairman, elected Trustee)
Phillipa Aitken (appointed Trustee: Royal Town Planning Institute)
Judith Chaney (elected Trustee)
Simon Hurst (Vice-Chairman appointed Trustee: Royal Institute of British Architects)
Geoffrey Marriott (elected Trustee)
Wendy Miller (appointed Trustee: Law Society)
Richard Wakefield (elected Trustee)

Jane Blackburn (Trust Manager)
David Davidson (Architectural Adviser)
Nick Packard (Estate Manager)

Robin Marks (Honorary Accounts Consultant)

112 Members and other residents; guests; Trust staff.

Apologies: Tim Leach (appointed Trustee: Victorian Society)
David and Joyce Littaur
Richard and Carol Kemp
David Cohen
Cllr. John Marshall
Helen Leiser
Jeremy Clynes and Kochi Okada
Sally and David Lewis
Rosalind and Gerald Joseph
Peter Beesley

Mervyn Miller
David Fulton
Geoffrey and Bridget Cox
Mr and Mrs Ivor Hall
David B. Lewis

1 Chairman's Introduction

The Chairman welcomed everyone to the forty-second Annual General meeting of the Hampstead Garden Suburb Trust. He introduced himself, his fellow Trustees, the Trust Manager and the Trust's Architectural Adviser and Estate Manager. He also introduced Robin Marks, the Honorary Accounts Adviser and Alan Armstrong-Wright, who as a volunteer, provides civil engineering expertise highly relevant to the Trust's responsibilities for 27 private roads. He welcomed guests including Janet Elliott, the Chairman of the Residents Association, Cllr. Andrew Harper and Cllr. Daniel Seal.

The Chairman explained that the meeting had adjourned to the School Hall in order to accommodate the large number of residents and members attending; he then outlined the structure of the meeting that would be in two parts. The formal business of the AGM, i.e. the Report of the Council and the Accounts for 2009-2010, a report on the arrangements for the election the election of Trustees and the appointment of Auditors will complete the AGM. This would be followed by thanks to Wendy Miller, the retiring Trustee appointed by the Law Society and by an open discussion of any other matters relating to the activities of the Trust which members wished to raise, including the Management Charge for 2010-11. He invited members to join Trustees and members of staff for refreshments and informal discussion after the business of the AGM was concluded.

2 To receive and consider the Report of the Council and the Accounts for the year ending 5th April 2010

2.1 The Report of the Council

A full account of the Trust's activities was presented in the printed report and the Chairman highlighted a few key points.

- The continuing efforts to resist the pressures to over-develop the Suburb through vigorous pursuit of the Trust's legal duties and rights, in particular, the litigation on 24 and 25 Ingram Avenue.
- The completion of the Character Appraisal, the revision of the Design Guidance and the incorporation into these documents of contributions made during the month long public consultation.
- The improvement of the management of the private roads and open spaces in the Trust's ownership
- The continued strengthening of the Trust's reserves.

The Trust continued to receive a high level of applications to change the external appearance, use or structure of property, many of which were for major changes, including 5 applications for demolition. In the course of the year the Trust defended two challenges to the Scheme of Management at the Lands Tribunal. The first case related to the proposal by an offshore company, Vertical Properties, for the demolition of 24 Ingram Avenue and the erection of two houses on the site. The Chairman drew attention to the full account of reasons for defending the case, the costs and the judgement in the printed report. Although the Tribunal permitted the development, it emphasised that its decision should not be seen as a precedent or as an encouragement of other applications for demolition and the

Chairman noted that the Trust's resolve to resist applications to vary covenants where they are inconsistent with its duty to preserve the Suburb remained strong

The second case related to an application to build an additional storey over a garage at 25 Ingram Avenue which the Trust deemed to be in conflict with the Design Guidance and which, besides being inappropriate for the particular location, would set a precedent throughout the Suburb. The judgement in this case (published in July after the end of the year under review) found in favour of the Trust and emphasised the distinctive role of the Trust and the importance of its powers in preserving the Suburb. The Chairman noted that this was a very important judgement for the Trust in its work.

In Estate Management, the first phase of the repairs to Sunshine Corner have been completed and work resumed in the Spring of 2010. Other work including the reconstruction of the roads and pavements in Reynolds Close have been completed. The Chairman drew attention to the works itemised in the report.

2.2 The Accounts

The Chairman drew residents' attention to the key points in the accounts noting that the Trust, itself, is a legal entity, a company limited by guarantee and a registered charity. It has its own funds and property. It is distinct from the Scheme of Management, which is an accounting framework set up by the High Court in 1974 within which, the Trust, as the operator of the Scheme of Management, has to work. Although the Scheme is financed by residents, the Trust could not operate the Scheme without funds of its own. He reminded residents of the necessity of considering the Trust separately from the Scheme of Management in the accounts since no money paid by freeholders in the form of the Management Charge may be appropriated by the Trust. The Scheme of Management must, of course, break even year-by-year.

The Trust

The Chairman went through the accounts showing the deficit (net of balance sheet realisations) resulting from the declining income from rentals on long term leases with fixed rents and the 'surplus' on freehold sales, licences and variations. After deducting the book value of the Trust's real estate, and the operational funds needed to provide temporary funding for the cash flow deficit which occurs in running the Scheme of Management in the course of the year, £521,131 was available for investment to provide compensating long-term income to fund the work of the Trust. In normal times this could be expected to generate about £20,000 i.e. about half the long-term structural deficit.

The Scheme of Management

The Chairman referred members to the chart on page 10 of the Trust Gazette for 2010 which enables the Management Charge to be seen in context. He noted that the shift in the level of the Management Charge from £50 to its current level was a one off dramatic rise resulting from the withdrawal of the subsidy from the Trust's charitable funds to Management Charge payers. Since 2008-09 the Trust has made a commitment about the range within which the Management Charge is expected to fall and it is not now expected to be much more or less than £120 per year for the foreseeable future. The Trust had, each year, explained the situation and its policies in the Gazette but, for clarity, the Chairman reiterated the four factors responsible for the shift to a new stable level of charging.

1. The increase in the cost of staff and accommodation needed to meet the service requirements of the Suburb including the estates infrastructure.
2. The revision of the way in which costs are allocated between the Trust's freeholds – met from the Trust's resources - and private freeholds – met from the Scheme of Management. The method employed was approved by the LVT.
3. The cessation of the subsidy provided to Freeholders by the Trust over a period of years – reckoned cumulatively to be worth about £3,000,000 in today's money.

4. The costs of resisting the attempts of developers and others to over-develop the Suburb or to damage the character and amenities.

The Chairman then drew attention to the breakdown of the Management Charge expenditure and to the significance of legal costs, which are both uncertain and large in relation to the total income. The surcharge of £7.50 for the year ending April 2010 resulted from the Trust's defeat in its attempt to prevent the demolition of 24 Ingram Ave. He invited comments on the Report and Accounts for 2009-2010

2.3 Questions and comments on the Report of the Council for the year ending 5th April 2010

Hugh Hamilton Wild Hatch noted that inflation had made the income from leaseholders negligible and asked what the percentage of leaseholders to freeholders was and what difference it would make to the management charge if all leaseholders became freeholders by, for example, the Trust giving freeholds to leaseholders. The Trust Manager replied that there were about 1,500 leasehold properties, of which only about 500 were houses, and about 3,500 freehold properties, of which about 3,000 were houses, but that the freeholders were not subsidising the leaseholders. The "Trust Alone" pays the proportion of management costs due to leasehold properties. The transfer of all freeholds would not alter the level of the management charge although the accounts would obviously look very different.

David Iwi Raeburn Close made a number of points in a series of questions. He believed that the report was not a true report of the legal cases; that 24 Ingram Avenue was not designed by Soutar; that it was not a handsome building; that a survey of residents quoted in evidence was one sided and that a huge amount of money had been squandered on the case. In reply, the Chairman made the following points. Powell signed the drawings for 24 Ingram Avenue, but ultimate responsibility for them lay with Soutar as they came from his office and he was in charge of the development of Ingram Avenue. This is common practice in architectural practices and the attribution of houses to Soutar in this way has been accepted by Planning Inspectors who have turned down 2 other applications for demolition in the Suburb on this basis. The Tribunal, itself, said that the judgement was unusual and should not be seen to create a precedent; the Trust had not undertaken to oppose the application lightly, it had taken legal advice and believed it was duty bound to take action to preserve the character of the Suburb. The Chairman confirmed that Mr Iwi's opinions would be recorded in the minutes.

Mr Youlden Coleridge Walk complained that £10,000 had been wasted in taking a vagrant to Court and yet the vagrant was still in the Suburb and a nuisance to residents. In reply, the Trust Manager explained that the Trust had had no alternative but to go to Court to obtain an ASBO because the Local Authority had advised that unless the Trust did take action through the Courts, the Trust would be prosecuted as owners of the land. With the ASBO in place, the police now have the authority to remove him. The tramp does return, but with the ASBO the police should take action each time residents contact them with a complaint. It is a sad situation because the individual concerned is sometimes disturbed. Nonetheless, his behaviour has been threatening to a number of residents and the Trust had to take such action as it could. This is an example of the responsibilities which fall to the Trust as freeholder of the public spaces .

Mr Youlden noted that the flat rate of the Management fee was highly regressive and therefore unfair. He feared that the Charge could rise without constraint. The Chairman drew his attention to the commitment of the Trust Council to publish the range within which the charge is expected to fall for the foreseeable future and this is between £100 and £140. The Trust does not expect any significant real increase in the level or range of the Management Charge in the foreseeable future. The Chairman agreed that a flat charge was not equitable but the Trust had no power to vary this, it would be for residents to approach the Leasehold Valuation Tribunal to change this.

David Harris Erskine Hill hoped that he was not alone in believing that the level of the Management Charge was not excessive and it was worth it to maintain the beauty of the Suburb. He asked whether it was possible to stagger payments to help people who had difficulty in paying the lump sum. The Trust Manager replied that a staged payment system was available and that residents are advised to ask for such help on the requests for payment each year.

Bill Asprey Creswick Walk stated that many residents were living in genteel poverty and find the Management Charge too high and out of control. He feared that the Trust was growing at an enormous rate.

The Chairman agreed that some residents were concerned about the level of the Management Charge and noted that this had been fuelled by irresponsible statements that the Management Charge would rise to £500. The Chairman repeated the Trust's commitment to keep the Charge within the range of £100-£140 for the foreseeable future. He further stressed how carefully budgets were scrutinised and budgets planned. The Trust Council gives priority to keeping the Management Charge as low as is possible given the legal duties of the Trust. He urged Mr Asprey to join the Trust in drawing attention to the various means of helping which include staggered payments and a fund administered by Fellowship House for those who could not pay.

Colin Gregory Denman Drive believed that £127 was not inconsiderable but was still good value for the protection of the Suburb. He felt that the Trust was entirely right to pursue the two cases in Ingram Avenue and he was delighted by the result on 25 Ingram Avenue. He asked what plans there were to deal with the structural deficit. The Chairman replied that when balance sheet assets were realised they were invested and the Trust has been fortunate in having a considerable income from the sale of freeholds and the modification of covenants. The returns on invested capital is currently low but when they return to their historic average then, gradually, the deficit will be cleared.

John Ditchfield Hogarth Hill echoed the support for the Trust expressed by others. He noted that £127 a year to maintain the value of their house was good value compared to the hundreds of pounds many were happy to pay each year to maintain their cars.

Anne Fenton Coleridge Walk said that she had quietly paid up but felt that she had been treated with contempt by the fact that the Charge kept going up. She did not know what the charge was going to be and believed that there should not be dramatic increases. The Chairman was sorry that she had felt treated with contempt. The dramatic rise in 2006-07 had been as a result of the withdrawal of the subsidy and since 2007-08 rises had been within the range announced by the Trust. Residents could be confident that this would continue to be the case.

Janet Elliott Temple Fortune Lane said that many people in the room had expressed their support for the Trust and that they did it conscious of the fact that the Trust is budgeting responsibly. There is evidence in the report and accounts that this is the case and no evidence that the Management Charge is out of control.

David Bogush Norrice Lea was concerned about the rise in staff costs year on year. The Trust Manager pointed out that the figures he was quoting appeared to be net of application fee income. If the figures are taken prior to deduction of the variable fee income then they are seen to be stable and well controlled.

Steven Rosen Litchfield Way noted that the value of each of the three houses he had lived in over the years had risen considerably. The Suburb is a very special area and £127 is a fair charge given the benefits. He asked if there was any lottery funding available to help with the open areas? The Chairman was unable to answer the question on lottery funding but noted that Mr Rosen's experience

was supported by a survey of estate agents initiated by the former Chairman, Mr Mandell. The consensus was that the existence of the Trust added 10% to the value of houses.

Terry Rand Falloden Way drew attention to the fact that before becoming Chairman, Angus Walker had made an application to the LVT to try to get a variable Management Charge (i.e. the level of the charge to be related to council tax bands)

3 The Approval of the Report and Accounts

In view of the letters to residents from Mr Asprey and Ms Fenton urging them to vote against the report and accounts, the Chairman explained that the legal obligation was to submit the accounts to the membership but that there was no formal requirement for them to be agreed. The accounts for the year ending had already been lodged at Companies House following approval by the Auditors.

The Chairman then declared that the Trust Council unanimously commended the report and accounts to the membership. Colin Gregory proposed the motion that the members were pleased to receive and consider the report and accounts for the year ending 2010. This was seconded and Mr Iwi asked that a formal poll be taken rather than the customary show of hands. This was done and the results were:

	Those present	Proxy votes	Total votes
Agree with motion	75	26	110
Disagree with motion	8	47	65

The motion was agreed by 45 votes..

4 Report on the election of Members of the Council

The Trust Manager reported on the arrangements for the election of two Trustees.

Angus Walker and Geoffrey Marriott had resigned in the course of the rotation of elected Trustees which ensures that, each year, at least one of the places for resident Trustees is open for election. There were thus two vacancies and four candidates were nominated by the due date.

Bill Asprey agreed to stand for re-election and was nominated by Raphael Papadopoulos, seconded by Anne Fenton

Anne Fenton agreed to stand for election and was nominated by Pearl Hutchison, seconded by Doreen Holme.

Geoffrey Marriott agreed to stand for re-election and was nominated by Pia Duran, seconded by Terry Rand

Angus Walker agreed to stand for re-election and was nominated by Susie Gregson, seconded by David Lewis.

Election papers had gone out to members, the closing date for voting was 29 September. The votes would be returned to the Auditors and the result declared by them.

The Chairman asked the Vice-Chairman to take the Chair at the end of the meeting in order to allow each candidate to make a short statement and to answer questions.

5 Reappointment 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, seconded and passed unopposed.

This concluded the formal section of the meeting.

6 Retiring Appointed Trustee

The Chairman paid tribute to Wendy Miller, who is retiring as the Law Society Appointee, but who has agreed to serve a little longer until the Law Society confirms her successor. Wendy had provided

invaluable contributions to the Trust Council over the years of her service; in particular, she had been a tower of strength during the recent Lands Tribunal cases bringing a professional and independent perspective to the Trust's deliberations. In reply, Wendy Miller reminded the Chairman that when she became a Trustee in 2004 there was no Trust Manager and the financial difficulties were threatening. The previous Chairman, Mr Mandell had done a fantastic job until the arrival of the current Trust Manager. She noted that the Appointed Trustees cannot live in the Suburb and that they therefore bring professional clarity and detachment to the proceedings of the Council. During her period of office, she had observed the deep commitment of all Trustees to the work of the Trust and hoped that members understand the care and diligence with which Trustees approached their work. She ended with a Churchillian quote "I refuse to be impartial between the fireman and the fire". Developers will always want to build bigger, higher and more expensive; the Trust is here to ensure that in a hundred years time Hampstead Garden Suburb will be as well preserved as today.

6 Statements by candidates for election as Trustees and questions

The Deputy Chairman, Simon Hurst took the Chair for this part of the meeting.

Bill Asprey and Anne Fenton answered the following questions on their joint manifesto.

Chris Page Wordsworth Walk Would you say you were a single policy candidate.

Anne Fenton Yes but there are other issues. The human element seems to be ignored. I would try to help people who are concerned about costs and feel ignored.

Terry Rand Are you concerned about the costs of the surveyor resulting from the 'Concerned Residents' action that residents will have to pay for? It is estimated that it could cost £30,000.

Anne Fenton What ever it costs, I support it.

Robert Dobrik Oakwood Road Is not the calling of the Surveyor a repeat of the failed LVT application in another guise?

Anne Fenton There is no other choice.

Steven Rosen Litchfield Way Who is paying for your action?

Bill Asprey The Scheme of Management

Geoffrey Marriott answered the following question on his election statement.

Mr Youlden Would you support a progressive Management Charge?

Geoffrey Marriott Definitely.

Angus Walker answered the following question on his election statement.

Mr Youlden Would you support a progressive Management Charge?

Angus Walker Personally, absolutely.

The Chairman thanked everyone for attending the meeting. He invited everyone to continue discussion over refreshments.