

MINUTES OF MEETING OF FPRA Committtee on 23rd June 2009-06-24

Present: Bob Smitherman, Chairman, Muriel Guest Smith and Philippa Turner

In attendance: Nicholas Roberts, Martin Coleraine and Nick Shulman

As observers: Leigh Shapiro and Francis Wood

1. Apologies for absence received from Robert Levene, Dick Williams, Mike Derome, Yasmin Mistry and Stephen Guy.
2. Minutes of meeting of 10th March were not before the meeting but Bob Smitherman was authorised to sign them as soon as he was able to access them.

3. (a) RICS consultation on transparency

NR agreed to draft a response with, if possible, in conjunction RL to Section B (Service Charges) which, it was agreed, was the only part on which FPRA need make any input. NR cited a recent example of members who had only discovered the existence of a “kick back” to the landlord from managing agents over a period of years when perusing the documentation disclosed on the residents’ purchase of the freehold. FPRA’s response should also make the point that adherence to the RICS Code of Practice should cover transparency issues but that, due to the cost of the Code, it was not readily accessible to the average Residents’ Association.

(b) BS agreed to attend the RICS meeting on 16th July.

4. Response to Rugg Review consultation

NR agreed to draft a response, again if possible, in conjunction with RL. In general it was considered that the subject of the consultation covered a far wider field than concerned the FPRA and that, in any event, it was premature to comment in detail at this stage prior to draft legislation. Points to be made are that Notices under the Housing Act relating to HMOs should not apply to self-managed blocks; if regulation of managing agents is to be introduced, the definition should expressly exclude those managing their own blocks; tenancy agreements should be in writing and it was desirable that the relevant terms of any head lease should be incorporated even though they would be implied by reason of Section 79 of the Law of Property Act 1925.

5. RTE consultation

NR agreed to draft a response, again if possible, in conjunction with RL. In principal it was agreed that non-implementation was the best way forward but nevertheless there continued to be problems with the existing provisions under the 1993 Act, for example the requirement to obtain only 50% participants, thus potentially disadvantaging the other 50%, the purchase of flats by the landlord to gain control of the proportion wishing to enfranchise and the existence of only 25% commercial proportion preventing enfranchisement.

6. Transfer fees in retirement developments (correspondence attached)

Although the existence of such fees should be within the lessee’s knowledge on his/her acquisition of the lease, it was thought that it would be desirable if any monies thus realised by the landlord should be “ring-fenced” for the benefit of the development and be held on trust for the residents. BS to write to OFT to this effect.

7. (a) It was agreed that FPRA policy should, in spite of ARMA’s understanding

(see below), be to continue to lobby government on improvements to Section 20. BS and RL to work on definite proposals and members to be invited through the Newsletter to contribute suggestions.

- (b) Energy efficiency: a problem is that steps towards this are categorised as “improvements” and the cost often cannot therefore be recovered through the service charge. It was suggested that government lobbying might be successful in making a mandatory alteration to leases in this respect. BS reported that cavity wall insulation is now available for £99 per flat through a government-funded CERT scheme. A mention should be made in the Newsletter
 - (c) Disability: the Bill is now at draft stage and FPRA have already written to relevant government dept.
 - (d) Insurance commission disclosure: this comes under the RICS consultation (see 3(a) above)
 - (e) Protection of lessees’ money: FSA changes will probably cover this
 - (f) Commonhold: any further adjustments or improvements are not realistic at present
 - (g) Improving legislation: save as above, no realistic chance of this at present.
 - (h) Improving LVTs: ditto although NS reported that applications for lease extensions are speeding up.
8. Report and accounts were not before the meeting but BS was authorised to sign them when available.
- 9 AGM arrangements were all made and the restaurant had been booked for 9pm.
- 10 Membership update; none available and report deferred.
11. New deposit account: it was not considered advisable at present to alter arrangements.
12. Directors/Consultants
- (a) Under the constitution, a director cannot be paid so it would not be possible to appoint Stephen Guy although it was agreed to pay him the necessary amount to enable him to take on an enhanced role, subject to justification and further details being forthcoming from RL.
 - (b) Leigh Shapiro was unanimously appointed Hon. Consultant.
 - (c) Francis Wood was welcomed as an observer to the meeting.
 - (d) James Brenan was not present and consideration of his appointment was deferred until RL could report but it was agreed to invite him to the AGM.
13. (a) Yasmin Mistry was congratulated on her award as “Regional Solicitor of the Year”
- (b) Both BS and Andrew Mckeer appeared with success on the Watchdog programme but no specific comeback had been received. Discontinuance of the Property Press Service was agreed.
 - (c) Nick Shulman was thanked for his presentation at the LEASE annual conference.
 - (d) Publicity for the new magazines could be given in the Newsletter.

14. AOB

? Switchover meeting by BS?

A report on the meeting with ARMA was placed before the committee and is attached. It was agreed that ARMA leaflets, when received at FPRA, should be circulated to all committee members and a Newsletter item should publicise them (maybe also the website?). It was proposed that ARMA should be asked to provide FPRA with a slot at their annual conference.

PT asked if anyone had come across Guidance on Management fees issued by the ODPM and no-one had and doubted its existence.

Next meeting is the AGM.

It was noted with regret that the former Administrative Secretary, Peggy Crofton had died earlier this year. She is remembered by several Committee members with great affection and admiration for her skills and hard work on behalf of FPRA.