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28th November 2014

K - does Martin make this (A)?

To all Invitees,

We are sorry that you were unable to attend The Leaseholder Association Industry Preview Event that took place on 18th November at One Great George Street in Westminster.

We are pleased to enclose an information pack and a summary of the event for your perusal.

With kind regards,

Kelly Hoddinott

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The Leaseholder Association Industry Preview Event

18th November 2014

One Great George Street, Westminster



Chair: Dudley Joiner

Speakers: Dudley Joiner & Mark Spall

Organiser: Kelly Hoddinott

Attendees: Bill Adams (Leaseholder), Frances Auger (Elderly Accommodation Counsel), Claire Banwell-Spencer (Peveler), Nick Bignell (The Right to Manage Federation), Karen Brister (Hanover), Lorraine Collis (Retirement Lease Housing Association (RHLA)), Douglas Cooper (Competition and Markets Authority), Anthony Essien (The Leasehold Advisory Service), Ian Fuell (Department for Communities and Local Government), Georgiana Hibberd (Royal Institute of Chartered Surveyors), Paula Higgins (Home Owners Alliance), Steven Joiner (The Right to Manage Federation/The Leaseholder Association), Ben Jordan (Association of Residential Managing Agents), Richard Lambert (National Landlords Association), Laura Luxton (Association of Residential Managing Agents), Margarita Madjirska-Mossop (Mayfield Law), Lorraine Murphy (Grange Management), Joe Oldman (Age UK),

Keith Phillips (Leaseholder), Marjorie Power (Federation of Private Residents' Associations), Beth Rudolph (The Conveyancing Association), Chris Rutter (Flat Living Magazine), Richard Smith (Grange Management), Matthew Tucker (Property Ombudsman), Michael Voges (Associated Retirement Community Operators), Tony Warren (Leaseholder), Margaret Waters (Peverel).

Apologies: Minister Lord Ahmad (House of Lords), Beverley Baines (Citizen's Advice Bureau), Lord Richard Best (House of Lords), Martin Boyd (Leasehold Knowledge Partnership), Kate Boyes (Alexandre Boyes), David Clark (Institute of Residential Property Management), Clarissa Corbisiero (Local Government Policy), Simon Crewe (BUPA Goldborough Estates), Stephen De Mellow (Peverel), Keith Edgar (Freemont Property Managers), John Galvin (Elderly Accommodation Counsel), Cynthia Gibbs (Peverel), Samantha Gibson (Peverel Retirement), Gillian Girling (MP), Edward Goldsmith (The Conveyancing Association), Christopher Hamer (The Property Ombudsman), Paula Hassall (Department for Communities and Local Government), Richard Hards (Home Group), Paul Hughes (Ministry of Justice), Clare James (Community Housing CYMRU), Darren Johnson (Housing Committee of the London Assembly), Don Kennedy (Peverel Retirement), Stephen Ladyman (Retirement Housing Group - Developers Forum), Brandon Lewis (MP), Dean Marlow (Millstream Management Services), Debbie Matusевичius (Anchor Trust), Mark McLaren (Which), Jeff Platt (Institute of Residential Property Management), Gerry Proctor (Engage, Liverpool), Lee Reeves-Perrin (Alexandre Boyes), Emma Reynolds (MP), Shula Rich (Federation of Private Residents' Associations), Paul Silk (Association of Retirement Housing Managers), Bob Smytherman (Federation of Private Residents' Associations), David Tobutt (Retirement Housing Group - Developers Forum), Paul Trofimov (Retirement Housing Group - Developers Forum), Richard Wheeldon (Association of Retirement Housing Managers), Mary-Lou Wedderburn (Institute of Chartered Accountants in England and Wales).

Event Summary

Over 25 industry professionals attended One Great George Street in Westminster on 18th November 2014 to take part in The Leaseholder Association Industry Preview Event.

Dudley Joiner and Mark Spall were the key speakers inspiring delegates to come on board with The Leaseholder Association to work together to educate and support leaseholders with the aim of reducing misunderstandings and problems after purchase.

Dudley Joiner (DJ) – Keynote Speech

About four centuries ago the philosopher Francis Bacon made a profound observation 'Knowledge is Power'. Given in the period of enlightenment of the early 17th century, his statement has lost nothing in terms of relevance and significance.

Education and knowledge remain the primary key to empowerment. It is the fundamental precondition for all cultural development and social justice.

Leasehold Law

Leasehold is a product of the dark ages. It was born in the dark ages, when William the Conqueror introduced the feudal system into this country. And for most people, it remains in the dark ages. It is surrounded by mystique. It uses strange Biblical words such as 'covenants, easements, alienation clauses, forfeiture'. Currently the only persons empowered by this knowledge are possibly the landlords and their lawyers.

The Birth of The Right to Manage Federation

DJ gave a brief history of how the Right to Manage Federation was formed. When DJ purchased his mother-in-law's flat in 2005 the solicitor provided little advice about the lease. DJ's mother-in-law had only been in the flat a few months when the landlord/managing agent announced it was terminating the resident managers service. No consultation. No ballot. DJ sought advice and was passed from solicitor to Citizens Advice to the Ombudsman to the managing agent to the ARHM none of whom could help. Between all these pillars and posts, and quite by accident, DJ came to know about RTM. Out of sheer frustration, desperation and anger, they decided it was the only course of action to get an outcome.

They became the first retirement block to acquire RTM and spawned The Right to Manage Federation, which in 8-9 years has helped over 6000 leaseholders acquire RTM, including 87 retirement blocks.

Enlightenment often comes out of adversity. But it's not the best way!

Growing Dissatisfaction – Please see information pack

The problem for Landlords and Managing Agents is that there is an inherent perception of mistrust. The aim of The LA is become the Leaseholder's Friend in the same way the AA is the motorist's friend. An independent, impartial organization that leaseholders can rely on to give accurate information, and restore confidence.

Lack of Understanding – Please see information pack

It was highlighted in the CMA report that there is inadequate information provided to Leaseholders at the point of sale and all responses to the report agree with this finding.

The Solution

The LA has been formed to provide leaseholders with essential **early education** about leasehold ownership prior to the purchase of their property, with support and advice for the duration of ownership.

The LA's mission is to avoid issues developing into disputes by providing a trustworthy and impartial advice service resolving issues speedily at a primary stage.

The LA encourages leaseholders and property managers to work closely together to improve communication, raise management standards, minimise misunderstandings and reduce complaints.

When an issue cannot be resolved through The LA advice service it will be considered for resolution at our Conflict Resolution Committees / Service Charge Panels.

Conflict Resolution Committees / Service Charge Panels

The panels will comprise 5 members, 2 representative of management, 2 responsible leaseholder representatives, 1 chair person from a legal background.

Mark Spall (MS) - Working Together

MS spoke about how we need to work together to rebuild consumer confidence in the product of leasehold.

MS asked:

- Can we work together?
- Or are some of us competitive?

MS carried out some research comparing the current major leasehold services and The Leaseholder Association – please see information pack and explanation below.

Availability

Despite other limitations in their services the Leasehold Advisory Service (LEASE), First-Tier Tribunals (FTTs) and the Housing Ombudsman Service (HOS) are all freely available however LEASE does not provide on-going support or conciliation and

FTTs often require application fees and the costs of professional representation. The HOS will only look at cases after they have been through all stages of the landlord's complaint procedure and will only consider maladministration and service delivery failure.

Early Education

No other organisation offers early education to flat owners, which The LA believes, is essential in preventing misunderstandings and disputes at a later stage. The LA will provide advice on leasehold legislation and offer to explain leases to buyers, which does not always happen as part of the conveyancing process.

Advice & Support for Individual Leaseholders

LEASE provides advice and support for individual leaseholders but no other organisation offers this. The LA will not only provide information and specialist advice on a wide range of leasehold related matters but conciliation, where appropriate.

Impartial Fast-track Complaint Management

The LA will deal with complaints quickly unlike many other organisations, which have strict procedures to follow that slow down the ability to accept and deal with cases. Unlike other organisations The LA only represents leaseholders, not managing agents or landlords, giving leaseholders confidence that their interests will be represented fairly and justly.

Early Contact with 3rd Parties

The LA will look at documents without delay and contact 3rd parties such as landlords and managers at an early stage, which may enable the case to be resolved without the need for formal conciliation.

Expeditious Conflict Resolution Committees

Where a case cannot be resolved by initial contact with the 3rd party The LA may refer it to a Conflict Resolution Committee, which will deal with all leasehold matters that are not solely financial.

Service Charge Assessment Panels

The LA will operate Service Charge Assessment Panels, which will be able to deal with cases that would otherwise be heard by FTTs. These panels will be set up to consider a range of financial disputes such as reasonableness of service charges, management fees, administration fees and supervision fees.

Benchmarking of Management Charges

The LA will collect data from landlords/managers or obtain details of what were regarded as reasonable charges by looking through decisions of LVTs and FTTs to set benchmarks for management charges.

Speedy Outcomes for Complaints

The LA will concentrate on achieving a speedy outcome for complainants, which will also benefit landlords and managers. Although there are other organisations dealing with leaseholder complaints it can take many months and even sometimes a year for any outcome to be reached. There is also the chance that the leaseholder may still be dissatisfied with the outcome if they do not consider the process was entirely impartial.

Full Confidentiality in Settlement of Complaints

Unlike FTT determinations and decisions of the HOS, The LA will assure all parties' full confidentiality in the settlement of complaints. The LA considers this will be attractive to both parties and in particular the managers as it means there would not be a publicised decision that might create a precedent.

Advice to Leaseholder Groups (RTAs)

LEASE and the Federation of Private Residents' Associations (FPRA) provide advice to leaseholder groups, mainly recognised tenants' associations. The LA would not operate in this area as The LA only offers membership to individual leaseholders. The LA would seek to work together with the FPRA by emphasising to LA members the advantages of forming an association, seeking recognition and joining FPRA.

Setting Standards and Codes of Practice/Addressing Issues of Malpractice/ Disciplinary Action Against Managers

Although The LA would hope to be consulted on any proposed changes to standards and the government approved codes of practices this would remain one of the main functions of the trade bodies. These organisations would differ from The LA in that they would also focus on addressing issues of malpractice and taking disciplinary action against managers where appropriate.

Conclusion

The LA will provide a significant number of services to its members that are not available from any other organisations and The LA will offer an alternative to using complaint procedures or FTTs which are both time-consuming and in the case of FTTs usually costly to both parties. The wide remit of The LA will allow it to deal with matters outside the jurisdiction of FTTs and the HOS.

The LA will offer a wider range of services to its members than is currently on offer elsewhere and aims to compliment the services being provided by other organisations rather than competing with them.

Membership numbers - Please see information pack

DJ explained that the AA likes to secure members at the point of purchase of their car. Similarly The LA aims to attract members at the time they purchase their property.

The LA's target for year 1 is a modest 5% of sales. The second year target is 35% and thereafter an annual increase of 10%.

Structure and Governance

The LA is a company limited by Guarantee. It will have a Board of Directors. The LA is in the process of making these appointments. If anyone is interested in serving on this board or know individuals that may be interested please let us know.