

Minute of Owners' Meeting held on Thursday 8th October 2015 at 5.30pm
In St. Roch's Parish Church Hall

Fiona Murphy (Director of Copperworks Housing Association) started the meeting by introducing herself, Margaret Brownlie (Depute Director) and Christine Stuart (TC Young Solicitors). Fiona thanked all those present for attending.

Fiona explained the purpose of the meeting. Copperworks have decided that instead of operating as factor of the 'Hollybank' development on the basis of custom and practice, the Association was looking to:

1. Obtain a formal mandate from the required majority of owners of the Development to provide a continuing factoring service to all owners; and
2. Make clear Copperworks' roles and responsibilities as factor.

Fiona further outlined the proposed format of the meeting:

1. Fiona would give some background to the current position and whilst doing so, hoped to answer many of the questions the Association was aware of having been raised.
2. Fiona and / or Christine Stuart would be happy to seek to answer any other relevant questions those present may have.
3. Those owners present, who have not yet done so, will be invited to cast their vote using their voting forms. Copy forms are available for anyone who may have forgotten to bring this along.
4. Voting slips should be passed to Donna Richardson (Copperworks' Housing Officer) who will check names against the list of owners. This is to ensure that no owner (including Copperworks) casts more than one vote for each property within the development. Where a property is jointly owned and proprietors cannot agree on how they wish to vote, their votes would cancel each other out.
5. Donna will add the voting slips to the proxies received in advance of the meeting.
6. A count of the votes will take place and results returned to those present at the meeting.

1. Background

Fiona explained that, as Copperworks owns 30 of the 86 properties in the 'Hollybank' development, the Association has a significant interest. Fiona further emphasised that, even if Copperworks' share were less, the Association would still be keen to ensure the development is factored appropriately. In terms of legislation there is provision which declares that if the RSL (Registered Social Landlord) owns properties and use facilities of common ground then the housing association retained the ability to enforce the obligations to maintain the same. In this case Copperworks have an interest to enforce too. This is because maintenance of common ground is what is known as a facility burden (s56 of Title Conditions Act) and applies to all Hollybank properties.

As a small community based RSL, owning a further 240 properties in the local area, and factoring a further 23, Copperworks take their role in the community very seriously and the management committee and staff are fully committed to bring the community together, not just tenants but all local owner occupiers too. For example, the many services offered by Copperworks and events in the local area are open the tenants and owners.

Fiona stated that at a recent local meeting, it was claimed that the Association collects over £7,000 in management fees from 'Hollybank' owners. The correct figure is in fact £5,600. The information is publicly available and Copperworks have been transparent in advising owners how they charge for the service they offer in the draft Written Statement of Services.

Fiona was also aware that questions had been raised as to why invitations to this evening's meeting had been sent by Recorded Delivery. Fiona explained that some of the titles stated this as a requirement and others did not. Copperworks therefore sought to ensure every owner was appropriately notified by issuing letters by Recorded Delivery and hand-delivering, just in case some owners were not home to sign for Recorded Delivery. This was to ensure the information reached as many owners as possible, giving them the opportunity to vote.

Another question Fiona was aware had been raised was that Copperworks don't charge themselves a management fee on the properties they own and that this is somehow wrong. Fiona was unsure of the relevance of this question and explained that Copperworks have responsibilities for paying the sums owed in their capacity as proprietors. When fixing the rent for tenants, Copperworks have due regard to such monies. Owners are not subsidising tenants and tenants are not subsidising owners.

At a recent meeting it was claimed that Copperworks were being presumptuous issuing the Written Statement of Services prior to the meeting this evening, and prior to the vote. Fiona explained that, as indicated in the meeting invite, the WSS is a draft and was included as it explains the basis upon which Copperworks are asking owners to consider appointing them formally as factor. It is completely appropriate that owners are provided with that information in advance to allow them to make an informed decision.

Fiona sought to clarify how abstentions will be dealt with. These will not count in Copperworks' favour and are therefore effectively 'no' to appointing CHA as factor.

Fiona was aware that it has been suggested that Copperworks have no right to factor since 2/3 of the development was sold into private ownership. Christine Stuart explained that there is no obligation upon Copperworks to inform owners about sales in the development. Any owner since the appointed date, 28TH November 2008, had the right to challenge Copperworks' ability to factor if they, along with others, were unhappy. The Property Factors' legislation was passed in 2011 and came into force the year after. This supports the premise that factors were perfectly entitled to continue managing unless or until owners in sufficient numbers sought to challenge this. Custom and practice is a recognised 'appointment'. The Guidance to the Code of Conduct makes this clear. The issue with the Development is that the right is derived in a number of ways and Copperworks are keen to formalise to allow a written statement to be issued on the basis of a vote to allow them to continue managing or otherwise. Hence the vote this evening.

2. Questions

- An owner's representative questioned the method by which the voting forms had been issued. Fiona clarified that as a legal requirement for some properties, the Association was required to issue these by Recorded Delivery. However, in addition, given issues with people not being home to ensure receipt of these, a duplicate set of the paperwork had also been hand delivered to ensure that as many owners had receipt of the information as possible.

- An owner's representative asked if the vote was conducted in an 'open' manner. Fiona reiterated that the proxy voting forms all have the name and address of the owners and the property in question on the form to ensure that there is only one vote per property, for all parties, including Copperworks.
- An owner's representative queried the way in which proxy votes had been collected and asked if an independent witness went with the staff member to collect the votes. Fiona indicated that a member of Copperworks' staff had collected proxy forms from those who wished her to do so. Copperworks were entitled to canvass for votes and there was no requirement to have an independent witness during this process.
- An owner's representative implied that a staff member had been visiting only selected owners to canvas for their vote. Fiona assured those present that this was not the case and that from those the Association was able to contact, there had been a mixture of 'yes' and 'no' responses. It was reiterated that Copperworks were entitled to canvass for votes and owners were able to vote whichever way they wished and had the choice to ask for their proxy form to be collected or not. The owner's representative then stated that to be above reproach we should have had an independent person to attend and therefore the process was not transparent. Christine reiterated that there was no obligation to complete the proxy form and that there was no requirement to have an independent person witness this process. The owner's representative stated that not all owners were approached. An owner stated that no one had visited them. Fiona indicated that contact had been attempted with as many owners as possible however, some people had not been at home when the staff member had visited the property.
- An owner's representative asked if the proxy votes were placed in sealed envelopes. It was stated that there was no legal requirement to do this, and therefore they had not.
- An owner's representative questioned whether Copperworks' ownership of 30 properties within the development had been verified and asked the solicitor to confirm who had provided this detail. It was clarified that Copperworks had provided this detail and Fiona again confirmed that Copperworks do own 30 properties within the development. The owner's representative questioned this position and alleged to have proof that this was not the case as she had been advised that there were 59 properties in the development, and having checked using a Google search, could not find an indicator that stated that Copperworks owned 30 properties in the development. It was confirmed again that there were 86 properties within the development and Copperworks owned 30.

Fiona re-iterated that those gathered should ask questions relevant to the vote to be conducted.

- The owner's representative again asked how many properties Copperworks Housing Association own in the development. Fiona reconfirmed the position outlined above.

An owner's representative asked for clarification regarding Gadshill Street as this had been an area of confusion when information had been requested by them in relation to factoring

for the development. It was confirmed that the Association had to carry out relevant checks to ensure that the development being voted upon tonight did not include Gadshill Street and the confusion had been due to both developments being acquired around the same time. Once it had been confirmed that Gadshill Street was not included in the development, matters had been progressed as appropriate.

- An owner asked why Copperworks had not answered any questions raised at the meeting held in the previous week, as arranged by some owners in the area. Fiona advised that Copperworks had been invited in their capacity as owners within the development and were being respectful to this position. This meeting tonight had been called by Copperworks for the purpose of answering any relevant questions and conducting a vote.
- An owner's representative asked why the proposal was a draft proposal. Fiona confirmed as previously stated that it was a draft proposal of services that would be provided by Copperworks should they be voted in as factor.
- An owner asked why it had taken so long to issue the statement of services and why it was not issued to them at the time of the new legislation in 2012. Fiona stated that the statement of services were issued in line with the legislation in 2012, and that Copperworks have copies of the letters and statement on file.
- An owner asked why the newsletters did not have an owners' section. Fiona stated that we have asked owners via, leaflets, social media, website and via the newsletter for contributions and article suggestions and had not yet received any suggestions. However she would be very happy to consider anything that may be suggested.
- An owner stated that they felt Copperworks did not provide anything for owners. Fiona reiterated Copperworks' commitment to the local community (tenants and owners alike and demonstrated this by referring to the services and activities ran by Copperworks, such as Money Advice, Financial Capability Services, Fruit Barra, Community events etc that are available to everyone. She also advised that the organisation continually seeks funding to assist projects that operate in the local area which benefit everyone in Royston in terms of services and local employment.
- An owner asked if the statement of services was a 'cover all' document. Fiona stated that yes it was used for all owners, including those in other developments owned by Copperworks Housing Association. However, if the Hollybank owners wished, we could discuss this further, and through discussion and consultation this could be tailored to be more suitable if this is something that the owners wished to progress. An owner asked that if the vote was a yes for Copperworks to factor then would all sections of the Written Statement apply. Christine stated that a yes vote tonight would be a yes vote for the Written Statement of Services as issued. However, she drew attention to the statement and pointed out that there are items where no charge can be levied, for instance close lighting. Owners cannot be charged if they do not have a property in a close.

- It was asked what the Factoring fee is for. Fiona stated it was a management fee of £100 to cover Copperworks' administration costs in factoring the development.
- An owner's representative asked again why the statement included services for tenements, and they felt the fee was not value for money for Hollybank owners. A discussion followed and again it was agreed that if the management fee was an area owners wished to discuss further, Fiona would be happy to undertake an appropriate consultation process.

Christine stated that the title deeds provide for the factoring arrangement and where there is no mention of maintenance of common areas / common parts, statute can prevail and plug some of the gaps and discrepancies. Further there are flats and houses in the development and the obligations for each are different given the tenement management scheme affects only properties divided horizontally, not split vertically as with terraced units. This has particular relevance in relation to insurance for the buildings. Individual bungalows would be entitled to arrange their own insurance. There appear to be variations in the Land Certificates, but what is consistent is that Copperworks have provided the factoring services historically to the estate.

Copperworks are now looking to formalise a vote, to be appointed by way of a vote by development owners. It was acknowledged that if the vote was not in favour of Copperworks being appointed as development factor then they would not be able to continue providing the service. Christine confirmed that if Copperworks were not appointed then the owners could either appoint AN Other to factor, or self factor. This was in response to a specific question raised at the meeting.

Christine stated that the Association have an interest in the development as they own properties within it, and therefore want the area maintained. As a result, they wish to factor, and as such are seeking a decision on the appointment of Copperworks Housing to manage the development.

Christine stated that if the decision is to self-factor then all owners would be responsible for meeting and voting on every factoring issue. Copperworks would not want to see development common parts/ amenity deteriorate.

- An owner complained that they were paying for maintenance of common grounds that were under ownership of others. However, it was clarified that this common ground had been passed to Copperworks when the title was transferred from Scottish Homes. It was confirmed by an owner present, who had experience of this issue, that when the properties were modernised some owners had asked Scottish Homes (who were the landlord at the time) to take over pockets of land and that the common areas in question had been transferred to Scottish Homes at that time and subsequently transferred to Copperworks.
- An owner stated that they wished to have another meeting and submit votes then. Christine advised that Copperworks had called this meeting and a vote would be conducted tonight. If at some point in the future, the owners wished to have a further meeting to vote Copperworks out, that they could do so, but they would have to ensure that the proper legal process is followed.

Christine reminded those present that although Copperworks were her client and she had a responsibility to act for her client, she was a solicitor and was bound to give accurate advice.

- Again ownership of "30 properties" by Copperworks was called into question by an owner's representative and they asked that if this was proven to not be the case would the vote be

null and void. It was confirmed that the vote would be null and void if this was proven to be the case, as we were counting Copperworks votes for 30 units.

- An owner asked if they could take out their own buildings insurance policy rather than Copperworks' policy. Christine stated that where owners were not obliged to take up the global insurance and chose to take out their own insurance they would have to provide evidence to the factor that any necessary insurance was in place and was adequate. She advised that the insurance cover must include insurance over common parts, hence why flats are obliged to insure with Copperworks. Christine highlighted that for those whose deeds stipulated it, they were obliged to take insurance from the factor. Others can take up insurance with Copperworks individually if they chose to do so.
- An owner asked if owners who sub-let pay the management fee. Fiona explained it applied to all owners.
- At that point, it was agreed to bring the meeting to a conclusion and proceed to the vote. It was clarified that owners were voting for the Written Statement of Services that had been issued and that there was a management fee of £100 being proposed in the WSS.

All present were asked if they had any more questions. Those present indicated they did not.

3. The Vote

Fiona asked if everyone present still to vote had a voting form. Everyone indicated that they did.

An owner's representative asked if those who had already submitted a vote could change it. Christine asked if anyone wanted to change their vote and no one indicated they wanted to change their vote. Fiona reiterated that only one vote per property was permitted and Copperworks wanted to ensure that no duplication was possible.

The voting process then took place.

Fiona asked if everyone had cast their vote. Those gathered indicated they had.

Christine counted the votes.

An owner's representative insisted that an owner wished to change their vote. Fiona asked if there was anyone who wished to change their vote. Everyone indicated that they were happy with their vote.

An owner's representative approached Fiona and Christine and insisted that an unrelated owner wished the change her vote as she had felt pressured into making her decision. Christine and Fiona asked the owner's representative to leave and spoke directly with the owner. The owner was reassured that she could withdraw her original vote and vote in person, however . the owner decided that she would leave her vote as it stood.

4. The Results

Christine Stuart returned the results of the vote;

The question posed was:

Do you wish to formally appoint Copperworks Housing Association Limited as Property Factor for the Development of 86 units of which your property forms part ?

Yes	54
No	14
Abstentions	17
Spoilt paper	1

It was therefore concluded that Copperworks Housing Association was formally appointed as property factor for the 'Hollybank' development consisting of 86 units.

Fiona concluded by stating that Copperworks wished now to move forward positively with owners and hoped that owners would work with us and advise us what we can do to improve our service. Further, the Written Statement of Services will be finalised and issued and we would encourage owners to approach us with any issues they wish to be considered.

An owner's representative asked that Copperworks clarify where the 30 properties are that they claim to own. She also stated that she was not happy with the outcome and would be reporting staff members and the Association to the Homeowner Housing Panel.

Meeting Closed 6.50pm