



Minutes of General Meeting

Minutes of the Annual General Meeting of St Benedicts (Tooting) Management Company Limited held on Thursday 19th November 2020 at 7.00 pm online.

Online meeting

This meeting was held online using Microsoft Teams provide by Rendall and Rittner under provisions of the Corporate Insolvency and Governance Act 2020 that override the Company Memorandum and Articles of Association. Under restrictions because of the Covid-19 pandemic that were in force at the time, it was not lawful to hold a meeting in person. Members were not able to attend the meeting in person and were advised in advance as required that anyone seeking entry to a location from which it was hosted would be refused entry.

Members who wished to participate or for their Proxies to participate were required to register and vote in advance either online or by post, in line with governance recommendations to provide equal access to those unable to participate online. Members or their Proxies who registered were sent a web link and information how to participate in the online meeting.

These Minutes should be read in conjunction with the separate document explaining the resolutions that was sent to members with the Notice of meeting. These are available on the Estate website at <https://www.stbentooting.co.uk/docs>.

Attendees and Proxy nominations

- Kevin Herrmann (who chaired the meeting) and Ravi Joshi, Directors and property owning shareholders with 1 vote each in that capacity.
- 9 other property owning shareholders including 1 who joined part way through the meeting from 12 who had submitted votes in advance.
- Angela Petts (Senior Property Manager) and Yasmin Spence (Assistant Property Manager), Rendall and Rittner Ltd (not able to vote).
- There were 5 Proxy nominations to the chairman with instructions on voting, 1 with full discretion on voting and 1 to Mr Herrmann in a personal capacity.

In total 21 property owning shareholders cast votes. House owners were asked to abstain on resolutions only affecting flat owners.

Minutes of meeting

The chairman opened the meeting at 7.00 pm and welcomed those present. The Directors and Property Managers introduced themselves. The chairman then explained how the meeting would be conducted, as explained in the Notice of the meeting and in the information how to participate:

- The meeting is being recorded.
- Video and audio must be enabled initially and you need to provide your name and the property address owned to allow you eligibility to participate to be confirmed.
- Participants are muted and should stay muted unless invited to speak. Use the Microsoft Teams facility to raise your hand electronically to indicate you wish to speak. When invited to speak, unmute yourself then mute again afterwards. Unmuting at other times would disrupt the sound for others and anyone doing this repeatedly would be removed from the meeting after a warning.
- Please do not use the Microsoft Teams chat facility. It will not be monitored, there will not be a response to anything posted there and it will not form part of the meeting.
- Because the resolutions were explained in a separate document sent with the Notice of meeting and on the Estate website, the Directors will only summarise the explanations during the meeting, not repeat them in full. Questions raised in advance as requested will be answered in the meeting and in the Minutes and the Directors will try to answer other questions if possible within the time available.



Minutes of General Meeting

- Voting was required in advance to ensure proper counting and allow equal participation to those unable to join online. The result of the voting for each agenda item will be announced after discussion of that item. 21 members submitted votes including 5 nominating the chairman as Proxy whose votes are being cast as instructed except 1 which granted full discretion on voting that are being cast as the Directors recommend and 1 nominating Mr Herrmann in a personal capacity.
- All resolutions except number 3 to amend the Articles are ordinary resolutions decided by a simple majority of votes cast.

1. To receive and approve the Minutes of the Annual General Meeting held on 14th November 2019.

No questions were raised in advance or in the meeting and the resolution was passed by 21 votes to nil.

2. To receive and adopt the Report of the Directors and the Accounts for the year ended 30th June 2020.

The Directors answered a question raised in advance: *Why does the insurance position affect house owners?*

The increased insurance premiums caused largely by claims for movement in two flat blocks and a wholly unacceptable rate of water leaks affect house owners in two ways, one directly and one indirectly. As they are affected, it is appropriate for house owners to vote on the resolution concerning policies for flat leaks.

The direct effect arises because the insurance covers all structures on the Estate owned by the Management Company, which includes the clock tower, portico, wall and fences, for example, as well as flat blocks and public liability. The costs of this insurance are therefore apportioned between flat and Estate funds according to the last valuation of the buildings (currently 96% to flats and 4% to Estate). If premiums and claim excesses increase, this affects common Estate structures as well as flats and this part of the costs is borne by both flat and house owners. Only flat owners pay for flats insurance.

The indirect effect may arise because insurers take account of a number of factors in setting insurance premiums for all properties in an area, including claims. The claims on the Estate insurance may mean insurers rate the risk in this location higher, particularly for subsidence, so they set higher premiums for house owners' separate insurance for their freehold houses.

The Directors further clarified the position when asked by Ms Wookey, particularly regarding the split in payment of 96% by flats and 4% by the Estate, funded by both flat and house owners.

The resolution was approved by 20 votes to nil with 1 abstention.

3. SPECIAL RESOLUTION: To amend article 9 of the Articles of Association of St Benedicts (Tooting) Management Company Limited to allow members present in person or by electronic means to be a quorum so it will become, "9. No business shall be transacted at any general meeting unless a quorum of members is present at the time the meeting proceeds to business: save as herein provided, two members present in person or by electronic means shall be a quorum. Subject to the provisions of the 1948 Act a resolution in writing signed by all of the members for the time being entitled to receive notice of and to attend and vote at general meetings shall be as valid and effective as if the Same had been passed at a general meeting of the Company duly convened and held."

It was explained that, under company law, any proposal to amend the company Articles must be a special resolution that requires at least three quarters (75%) of the votes cast to pass.

**Minutes of General Meeting**

The Government made special provisions to over-ride company law and Articles during restrictions because of the Covid-19 pandemic, which are due to expire on 30 December 2020. These are being used to allow this meeting. It is strongly recommended that companies should amend their Articles to allow electronic meetings in future without temporary legislation, which this resolution proposes.

No questions were raised in advance or in the meeting and the votes for the resolution were 20 votes for to nil against with 1 abstention. This exceeds the required three quarters threshold so the change to the Articles is adopted and the Rendall and Rittner company secretarial team will register this with Companies House as required by company law.

4. To set the interval between periodic Estate maintenance and redecoration to five years by default and waive the term in property legal agreements requiring this every four years.

5. To set the interval between periodic flats external maintenance and redecoration to five years by default.

6. To set the interval between periodic flats internal maintenance and redecoration to seven years by default.

7. To allow the Directors to arrange limited rather than full flats periodic internal maintenance and redecoration that is now due and adjust the date of the next full periodic flats internal maintenance and redecoration to spread the costs of periodic external and internal work.

This group of resolutions concerning periodic maintenance and redecoration was considered together.

The Directors explained how work would be prioritised, completing the flats external redecoration then minimal flats internal redecoration with work for fire seals to meet the latest health & safety standards. Our buildings do not have cladding and are built from non-combustible materials.

No questions were raised in advance or in the meeting and the resolutions were passed as follows: resolution 4 by 21 votes to nil, resolution 5 by 19 votes to nil with 2 abstentions, resolution 6 by 19 votes to nil with 2 abstentions and resolution 7 by 19 votes to nil with 2 abstentions.

8. Noting that many flats have replaced windows without the Management Company and current Managing Agent being aware, that calculation of rebates to owners of flats with maintenance-free windows is not accurately possible and the current financial position, to end payment of rebates to owners of flats with maintenance-free windows in respect of costs of periodic flats external decoration work. If this resolution is not passed, payment will be delayed for several years until sufficient reserves have been collected through service charges to cover the costs of both work and rebates.

The Directors answered questions raised in advance to explain the finances further.

Over the period 2015-2020, since the last periodic maintenance, about £155,000 was collected for periodic flats external and internal maintenance, based on index-linking the previous cost of this work in 2015, when this work cost about £140,000, which was consistent with the previous cost in 2010. This was a reasonable provision based on past costs using a method that had proved adequate previously. Unfortunately, when just the external work was tendered in late 2019 intending to carry it out in 2020, the tenders varied from £209,000 to £473,000. Even the lowest of these was much higher than the amount collected and would use a large amount of the flats contingency reserves of about £70,000, which are intended for emergencies such as roof repairs.



Minutes of General Meeting

For this reason, internal work cannot be carried out at the moment and, with the Covid-19 pandemic as well, it was not possible to carry out the planned work. Instead the Directors decided to carry out a reduced amount of priority external work, where damage needed repairing and wood was rotting, for example, so could not wait. This will cost around £41,000. External wooden areas including eaves, windows and doors still need to be painted next year and, based on the costs quoted, this is now expected to cost £170,000 or more, so total expenditure on external work will be over £210,000 when only about £155,000 had been collected for both external and internal work. The Directors are looking at ways to keep these costs down, for example, by separating the work to have decoration at ground level carried out by a painter so only work at height needing appropriate safety precautions would attract these extra costs.

As explained in recent Newsletters and budget documents available on the Estate website at <https://www.stbentooting.co.uk/docs>, flat owners will be paying for the work now and in 2021 for the next two years before starting to build up reserves towards the next periodic external maintenance, which there is a resolution to delay until 2025. The Management Company will therefore not have collected in the money to pay rebates for maintenance free windows until around 2024. As the notes for the resolution to end these rebates explains, it would not be proper to pay rebates to the owners of such windows before the money had been collected in.

Faced with the greatly increased flats service charges, primarily due to the increased cost of insurance following two building movement claims and a wholly unacceptable and unsustainable level of water leaks (amounting to about £26,000 in 2020-21), but also due in part to the increased maintenance costs (amounting to about £21,000 in 2020-21), the Directors are reducing costs in every way possible while still providing the services required by the leases, as described in recent Newsletters. If rebates that might amount to tens of thousands of pounds with the increased maintenance costs have to be paid, it will be necessary to increase flats service charges again next year to collect this money in from other owners to be able to pay it to those who have replaced their windows. The Management Company is non-profit making and has no source of income other than charges to cover expenditure. The Directors therefore offered owners the choice to end rebates or pay higher charges without making a recommendation.

Mr Ramjotjon asked to make a statement on this resolution, saying that, as he had paid for window replacement carried out with consent, this should still attract a discount.

The Directors explained that they were leaving this choice to members.

The resolution was approved by 9 votes to 3 with 9 abstentions.

9. Noting the increase in the property insurance premium from £21,573 in 2019 to £50,029 in 2020 in large part due to the claims record for movement and water leaks, the consequent large increases in charges and the dangers of similar large increase in future or that such risks might become uninsurable, to confirm revised policies of the Management Company on consent for flat alterations involving plumbing and for handling leaks in flats that damage other properties or result in insurance claims.

The Directors answered a number of detailed queries raised by one owner on the policies.

The policy of inspections only applies immediately following a water leak and resulting remedial work. Subsequent requests for consent to carry out plumbing work are not currently subject to inspection unless the Management Company has reason to believe the plumbing may be below the necessary professional standard, which it would not be following remedial work.

Since the increased insurance premiums are unquantified and may well exceed £500 several times over, we believe that owners may well choose to pay a known cost above £500 instead. The excesses for different type of claim are set by the insurer each year depending on its policies and the claims record. Last year the water leak claims excess was £250, this year it is £500. The Management Company asked the insurer if the excess could be increased with reduced premiums because the Directors consider this would better align with the interests of the majority of owners as the owner suggests but this was refused. The Directors intend to seek this again next year.

**Minutes of General Meeting**

The situation of two successive leaks outside the owner's control described in the question is extremely unlikely. For every leak investigated under the new policy, mostly the plumbing has been well below the necessary professional standard and, in the other couple of cases, the owner was still responsible by forgetting running taps or failing to maintain perishable seals. We have not yet had a single case where properly maintained plumbing to the required standard has leaked once, let alone twice, although we could envisage such a leak once from an internally corroded tank.

Mr Ainge confirmed that these queries had been answered. There was general agreement that seeking lower premiums with a higher excess is preferable. The Directors confirmed multiple quotes were sought but, with large open claims, many insurers would not quote. When asked, the Directors summarised causes of recent leaks and an owner suggested they would have their plumbing inspected. The Directors welcomed this as, if others did this too, it would help reduce leaks.

Mr Ramjotjon asked to make a statement on this resolution, explaining that he felt immediate reference to solicitors was unfair, that Rendall and Rittner should advise owners then wait 10 days to two weeks and advise the owner again before the matter is passed to the solicitors. He also felt that it is difficult to find and follow the guidance on professional plumbing standards.

The Directors explained that all these matters were covered in the explanation of the resolutions sent to members. The previous policy without solicitor action had proved entirely ineffective as charge increases, which he complained about, demonstrated. All flats below could be severely damaged and it would be unbearably distressing for the residents whose wellbeing, home and possessions were being destroyed if leaks were allowed to continue for a period leading to tens of thousands of pounds of additional costs. Rendall and Rittner is not authorised to provide legal services so cannot do so by law. It is the owner's responsibility to use plumbers who work to an appropriate professional standard so the legal requirements of the lease are met, which his initially did not. Guidance has been published on the website, in the Newsletter and in the document sent to owners whose plumbing leaks and it is his responsibility that his plumber should follow it. The Directors agreed his useful suggestion to provide this in a downloadable guide as well that could be given to plumbers. They also answered further points about his specific case where he disputed a complaint made by the contractor.

Ms Petts advised that insurance rates generally had risen, which the Directors confirmed from their personal experience, but by maybe 20%, not more than doubling because of the claims record.

The resolution was approved by 19 votes to 1 with 1 abstention.

10. Noting requests to fell trees, to endorse the Estate tree management plan and require that requests to fell trees be supported by full justification following best practice and require that views be sought from owners of nearby properties and taken into account.

No questions were raised in advance or in the meeting and the resolution was passed by 21 votes to nil.

11. To report on contracts for services, maintenance and periodic external work.

The Directors reported that there were no significant changes to contracts during the year and the major contracts like the managing agent, cleaning, waste and gardening were all able to continue during the Covid-19 pandemic including during lockdowns, as reported at the time.

Detailed information on maintenance is provided on the Estate website at <https://www.stbentooting.co.uk/maintenance>, which is updated at least every month, and the September newsletter summarised key work during the year.

**Minutes of General Meeting**

Information on the periodic maintenance is also provided on the Estate website at <https://www.stbentooting.co.uk/periodic> and the Directors provided an update on progress. External re-decoration had to be postponed until 2021 because of the Covid-19 pandemic and only priority work has been carried out this year. Internal re-decoration has been deferred because of the financial situation. This was explained in the information on resolutions 4, 5, 6 and 7.

Mr Risdon asked whether there was a contract with the drain company for regular testing. The Directors explained that there was not, they were instructed for individual issues and, when investigated previously, annual inspection and flushing proved prohibitively expensive. He described the issue with drain flies, also observed by Ms Bewley, so Rendall and Rittner will pass information to check the flat sewer seal to her and it will be put in the Newsletter.

This resolution was to provide information and there was no vote.

12. To report on steps taken during the Covid-19 pandemic not discussed in earlier items.

The steps taken by the Directors and managing agent are described on the Estate website at <https://www.stbentooting.co.uk/emergency>. These included arranging a volunteering scheme in the early stages, enhancing cleaning of flat block communal areas to use bleach, warning of scams, setting conditions of approval for flat owner work to meet changing Government restrictions and providing advice on safety and visitors as Government guidance evolved.

This resolution was to provide information and there was no vote.

13. To report on a proposal to carry out a pilot to upgrade the landlord electrical system in one flat block to meet current electrical and safety regulations and test if internal lighting can be switched on automatically only when required rather than being on throughout the hours of darkness with consequent reductions in electricity use and costs.

The landlord electrical installations date from when the Estate was built in the 1980s, are nearly life expired, no longer meet subsequent more stringent standards as the health & safety inspections report and are less efficient than may be possible using modern technology. Flat communal area bulkhead lights were replaced with LED ones several years ago, which are likely to last to the mid-2020s, and almost all Estate street and security lights have now also been replaced with LED ones. This has reduced electricity use by more than half with consequent cost savings. It was not economic to replace fluorescent lights outside flat doors as the cost would have exceeded the savings if done on its own.

Current landlord lighting is on all night, controlled by light detectors and, in most blocks, can also be turned on for a timed period using switches. The only way of reducing electricity use and costs further is to invest in LED bulkhead fittings with microwave or infra-red detectors that only turn on when people are nearby. While these are being replaced, fittings with a power reserve that would remain lit if the supply failed in a fire can be fitted as modern standards specify. Lights outside flat doors would be replaced with LED ones. Modern consumer units with RCD protection would also be fitted and Estate lighting could be separated from flat block lighting circuits so it is not turned on by switch operation. Money is being collected into flats reserves to replace the landlord electrical installations in the mid-2020s.

The Directors are proposing to carry out this work in one block before then to confirm if it is possible to use lights that only switch on with people nearby safely in the taller flat blocks. This needs to be a block in which a Director lives so they are aware whether the approach is effective. If the work is both effective and saves costs in a short period of years, the Directors may ask flat owners if they wish to bring forward the work in other blocks to reduce annual costs sooner than previously planned, but this would have to be instead of other expenditure like internal re-decoration. That is one reason why resolution 7 was proposed to allow the timing of re-decoration to be changed.

No questions were raised in advance or in the meeting: The Directors felt it should be declared that work would be done first in the block in which Mr Herrmann lives so it could be monitored.



Minutes of General Meeting

This resolution was to provide information and there was no vote.

14. To deal with the appointment of Directors nominated in advance of the meeting.

Mr Ravi Joshi and Mr Kevin Herrmann were willing to continue serving as Directors and no other nominees were received before the meeting was called so the necessary vote could be arranged. If there were any volunteers willing to serve for the benefit of all backed by two other members, the current Directors would consider appointing them as Alternate Directors.

There were no additional volunteers in the meeting.

No vote was needed on this item.

15. To deal with any other business notified in advance of the meeting.

The Directors answered two questions raised in advance: *There is still a problem with waste and bin stores and requesting an update on the proposal made last year to modify bin stores.*

There has been a problem with waste and bin stores since the Estate was built in the late 1980s. This matter has been discussed at General Meetings around 30 times since then and at least two studies have been undertaken on the issue without any practical proposal to improve the situation being identified that is acceptable to Wandsworth Council, compatible with its collection lorries and acceptable to property owners who would have to bear the costs. Previous suggestions are documented on the Estate website at <https://www.stbentooting.co.uk/waste> with explanations why they are not feasible.

At the AGM last year, a resident offered to produce drawings how bin stores could be modified. Nothing was received, so this idea could not be investigated further. Video of Estate residents dumping waste was sent to Rendall and Rittner this year but it was not possible to trace the people shown. This demonstrates, as Rendall and Rittner and the Directors have repeatedly advised, that CCTV would be wholly ineffective while costing a large amount to cover the large area of the Estate with three roads and numerous paths. Writing to residents in the past has repeatedly proven to increase not reduce dumping.

The Directors remain willing to investigate any new ideas that may prove practical and acceptable to tackle this unpleasant problem, but did not devote limited time to discuss this matter during the online AGM as it has been discussed many times previously. Any new ideas to tackle the problem should be submitted to our property managers at Rendall and Rittner.

The problem was identified as particularly relating to the area in St Benedicts Close where recycling is left. Ms Northam's partner made a number of useful suggestions on taking forward the design work and, if required, planning consent. The Directors asked him to get in touch directly and agreed to take this forward as the fourth priority after flats external redecoration, flats internal safety work and flats electrical work, which also has safety aspects.

The Directors confirmed when asked that periodic maintenance work was tendered with companies used previously, those approved by Rendall and Rittner and those known to the surveyor. They would welcome suggestions of others by members to promote competition. Ms Petts pointed out that that the section 20 consultation part 1 asked for nominations but neither she nor the Directors were aware of any ever being received.

No votes are held on other business as this is not included in the Notice of meeting.

Two members present thanked the Directors and property managers, with which others agreed, and these were gratefully accepted.

The meeting closed at 8:21 pm.