



Islington Leaseholders Association

NEWSLETTER
6
SPRING 2012

UNITED HOUSE SELLS OUT TO AN INVESTMENT FUND

- so what future impact on Partners leaseholders?

United House is to sell its PFI [Private Finance Initiative] investment portfolio—which includes major stakes in Islington's two social housing PFI projects—to John Laing Infrastructure Fund (JLIF), the FTSE 250-listed international PPP/PFI infrastructure investment company.



Andrew Charlesworth, JLIF Investment Adviser, commenting on today's announcement, said: "This is a rare opportunity to acquire... three high quality projects... operationally mature, with minimal retained risk and stable cash flows and match our appetite for low risk, high yielding assets." Nicely put. Cheers.

United House (UH) is the major element in Partners for Improvement in Islington—the company contracted to manage housing for around 20% of Islington's leaseholders and around 10% of their tenants.

We understand that UH, which has done all the recent major works etc, owns 45% of Partners. Now that UH has sold its PFI contracts, what impact will the sale have on Partners residents? It raises urgent questions:

- **Where** does the buck stop now?
- **How** will the sale affect the quality of the service provided to Partners residents by UH, if UH no longer has direct responsibility?
- **Who** will be responsible for any defects resulting from poor quality work carried out by UH under major works?
- **Did** Islington Council approve the sale of PFI contracts to investment funds? Are they bothered? Do they care? Do they know?
- **If** the Council approved this recent sale, is this how they envisage the future of social housing in the borough—housing management owned by banks and investment funds?
- **Why** did UH sell out?
- **Will** an investment fund that bought our housing management to benefit from "minimal retained risk and stable cash flows" and to "match our appetite for low risk, high yielding assets" be an appropriate owner of our housing management services?
- **How** will this sale impact what we are charged for services?
- **Were** any tenants or leaseholders consulted?

Partners denied that the change would "impact on Partners' contractual obligations to the Council or our operational arrangements".

For the inside story, see UH's website:

www.unitedhouse.net/about-us/news/id/1326992428

Overcharging on Building Insurance Survey

On behalf of the ILA, I queried continuously from February to September 2011 the Building Insurance Survey costs of £25.64 that all ILA members were charged on their Service Charge bills. On receipt of the relevant documents it was clear that the number of leaseholders the bill was divided between (8,253) was incorrect, as the ILA had a list of 9,866 leaseholders/freeholders. The official figures were immediately challenged, as they had led to the overcharging of 8,253 leaseholders. HFI then corrected the number to 9,357 leaseholders, resulting in the Service Charge bill of £25.64 being reduced to £22.61 borough-wide.

However, we also noticed that the invoices included VAT. LBI/HFI were 'reminded'

that as Councils reclaim all VAT, it cannot be recharged. That resulted in each leaseholder receiving a further £3.61 refund, reducing their bills from £25.64 to £19.00.

All Leaseholders should have received their Service Charge invoices for 2011-2012 in September 2011, which should include the agreed refund of £6.64p.

But an ILA Director who lives in a PFI property then told me all PFI leaseholders had been informed they would receive refunds of £8.04p, which reduced their bills to £17.60p each, while HFI leaseholders were being charged £19.00—an additional £1.40 each.

We are still pursuing, on behalf of all ILA leaseholders, this variation between HFI and PFI-1 & PFI-2 overcharges, and we hope to agree the further refunds due in the near future. Keep an eye on our website! Helen Cagnoni 4.3.2012

Please support the ILA—your leaseholders association!

Registration with the ILA is open to all leaseholders of London Borough of Islington residential property and members of their households. A single subscription covers all household members at the same address, and can be made by cheque, postal order, or standing order.

Please fill in (in CAPITALS) and send this form, with your cheque for £20 annual subscription (and any donation) to:

ILA Treasurer, PO Box 66633, N1P 1XU

I hereby apply for registration with Islington Leaseholders Association.

I enclose a cheque/postal order, made out to **Islington Leaseholders Association Ltd**, for

£..... plus voluntary donation of £.....

Signed.....

Date.....

Surname.....

First name.....

Address.....

.....

..... Postcode.....

Email.....

Phone:..... mobile:.....

Member reference.....

(your member reference is your surname, followed by your first initial, house or flat number, and your postcode—eg SMITHJ27N12LA).

The ILA will not pass your details on to any other organisation. **But you can help us greatly to save costs and administration by filling in and signing the Standing Order form on the back page**, to renew your subscription annually. Thank you.

ONLY £20 A YEAR—PLEASE JOIN NOW!

“Leaseholders ‘overcharging’ never to be repaid”

Two questions were asked of Islington’s Council Leader and Housing Chair, guests at the Islington Leaseholders Association monthly meeting on 8th February this year:

- 1 When will leaseholders be repaid for their annual heavily overcharged Service Charges?**
- 2 When will leaseholders be repaid the thousands of pounds ‘profit’ included in our repair bills—huge sums long overdue for repayment?**

The public answer given to both questions seems to be “Never”!

Councillors were reminded that: *neither* in our leases, *nor* in the relevant Landlord and Tenant Act, does it allow billing for “overcharging/profit”. In November 2010 the Council’s own solicitor’s advice on Service Charges reminded the Audit Committee: “we can only recover sums which have been incurred”.

This legal clarification to the ‘apportionment system’ used by LBI on Service Charges (usually hidden in the sub-sub-division of giant Council bills for crematoria lighting, magazines, library lighting, tenants’ compensation etc) should have immediately been stopped, and refunds arranged for the years it has been misused. It’s clear: those costs should be paid from LBI’s General Fund—income received from every Islington resident’s Council Tax—and not from Leaseholder Annual Service Charges. This practice has led to years of ‘double charging’ leaseholders, and has even been admitted to some individual complainants and now repeated again publicly.

There are significant examples of Council’s deliberate profit-making from leaseholders. Kier Islington Profit Share Agreement (10 yrs plus) is but one. £1.204 million profit went straight into Council’s coffers for the single year 2009-10 (other years more, sometimes even double). Not a penny owed has been returned to leaseholders from the profit generated from their repair bills.

There was no surprise shown, no apology given, no promise to repay—let alone add interest—when these two simple questions were asked. Instead, leaseholders received a lecture informing us that our money is to be used towards achieving the Leader’s aim of building 2,000 properties in the next two years, on Council land, by overdeveloping on existing estates as well as empty sites.

If you are interested to check further, look at the Kier Islington Profit Agreement on the website www.whatdotheyknow.com and type ‘Kier Islington’ into the search window.

Non-resident leaseholders can elect where to receive mail

Following a joint initiative between the ILA and Homes for Islington, there is now an agreed procedure which housing staff will follow to ensure that leaseholders who do not live in their Hfl-managed flats will receive important correspondence from the housing department at their designated correspondence address.

The jointly agreed list is set out below and Non-Resident

Leaseholders (NRLs) are encouraged to give feedback about whether all eventualities have been covered. It may be that leaseholders have other examples of mail which should be on the list.

NRLs are also asked to submit their correspondence address to the ILA to receive its newsletters, rather than these being sent to tenants.

Please email the ILA or, best of all, join the organisation: islington.leaseholders@hotmail.co.uk

SECTION	DESCRIPTION	SEND TO NRL	SEND TO NRL SUB-TENANT	COMMENTS
Antisocial behaviour team	Advising of complaint of noise or ASB from the property	X		
Antisocial behaviour team	Any general letter to a block asking for witnesses to ASB		X	
Tenancy Management	Any notification of repair defect and access requirements affecting another property	X	X	Suggest letter is copied to the sub-tenant to facilitate speedy access
Estate Services	Emergency notification – utilities failure		X	Usually notices in communal area: gas, electricity, water, communal heating
Home Ownership	All section 20 consultation and associated correspondence	X		
Repairs	Notification of recharge for works that HFI has completed – either works to the NRL flat or to HFI flat affected	X		
Special projects	All consultation regarding planned tenant compact/estate security works	X		
Mechanical & electrical	Any letters relating to access for digital TV connection, rewire, gas rerun etc, for which access to LH property is required	X		The NRL will be responsible for arranging access
Estate Services	Any general letter to a block clarifying domestic rubbish/recycling arrangements		X	Only of interest to residents
Estate Services	Any communication asking for ideas for Tenant Compact expenditure	X		
Estate Services	Local surveys on Caretaking and communal repair standards	X		NRL pays for caretaking service and communal repairs and will have an interest
Corporate	Newsletter	X		
Corporate	Annual Report	X		
Corporate	Business plan	X		
Corporate	Annual Tenant Survey			To HFI tenants only
Corporate	Leaseholder satisfaction survey	X		

Contract 77 leaseholders win recognition

After a lengthy campaign, the Contract 77 Leaseholders Association has become the second such group to win statutory recognition from Homes for Islington. Leaseholders from several small estates and mansion blocks, which Hfl had grouped together for major works, joined to form the association two years ago.

Hfl refused to officially recognise the association, so leaseholders took their case to the London Rent Assessment Panel

which can force organisations like Hfl to officially recognise associations.

It took almost two years to achieve formal recognition because Hfl fought the move tooth and nail. Leaseholders won in the end, and the Contract 77 Leaseholders Association joins the Pleasant Place Leaseholders Association as the second association Hfl now has to recognise.

If you are forming your own leaseholder association and want to learn more about how Contract 77 did it, please email the chair at: vickileonard1@gmail.com

Volunteers wanted for ILA

The ILA is always looking for people to join in and help run the organisation.

In particular, the ILA is looking for a volunteer to be co-opted to the ILA Board of Directors to assist with the monthly leaseholder meetings. This would include taking monthly minutes, typing up and distributing to all Directors, recording attendance and other administration tasks.

We are also looking for community minded volunteers with various skills for occasional projects e.g. professional experience in law, accounting, surveying, occasional investigation work, as well as people with skills in social networking, promotion, DTP, a sponsorship and advertising manager (for newsletter & website), journalist to improve the ILA image and contribute to our newsletter and website, and contributors to write to the media about leaseholder concerns.

If you're interested please email: ilaorguk@hotmail.co.uk or write to : **ILA, PO Box 66633 London N1 1AA**

Directors required

Enthusiastic leaseholders are required to be volunteer ILA Directors, helping to improve the situation of Islington leaseholders.

Duties would include attending monthly directors meetings,

occasionally attending monthly ILA Forum meetings, and gathering neighbouring leasehold information on an ad hoc basis to pass on to other leaseholders.

ILA Monthly public meetings

are held at **Islington Town Hall Chambers, Upper Street**

Wednesday 11 April 7pm – 9pm

Wednesday 9 May 7pm – 9pm

Wednesday 13 June 7pm – 9pm

Wednesday 11 July 7pm – 9pm

Wednesday 8 August 7pm – 9pm

Two successful leaseholder challenges through the LVT

The Leasehold Valuation Tribunal (LVT) was “not persuaded it was reasonable” for Islington Council to replace the complete roof of a leaseholder’s property in the borough and accordingly slashed the major works bill from around £7,500 to around £2,150. A full report of the proceedings can be seen at: www.residential-property.judiciary.gov.uk/Files/2011/June/00106KEN.htm

In March the LVT determined that Islington Council had failed to consult leaseholders about major works costing over £12,000 as required by law. As such, the leaseholders’ contribution was limited to the statutory maximum of £250. View the full report at: www.residential-property.judiciary.gov.uk/Files/2011/May/00106IGV.htm

Follow the ILA and keep informed!

Website: ila.org.uk

Blog/site @ www.ila.org.uk to get updated on ILA news, events, campaigns, and loads of info on service charges, contracts, compensation and remedies procedure, insurance presentation to leaseholders, general social housing news, suggestions on where to get legal advice, etc; plus other useful links.

You can also sign up for email alerts and ILA news to be sent direct to your inbox.

Twitter: you can follow us on Twitter @ilaorguk for up-to-the-minute ILA tweets on your phone or pc.

Facebook: www.facebook.com/pages/Islington-Leaseholders-Association-ILA/164785506931010?sk=wall
You can leave us a message on Facebook, or click to ‘like’ us, or just say Hi.

Standing Order form

Please fill in (in CAPITALS) and send this form to:
ILA Treasurer, PO Box 66633, N1P 1XU

My bank.....

Bank address.....

Please pay by Standing Order, until further notice, to:

Bank: HSBC Sort code: 40-03-33

Account No: 6177 4832

A/c name: Islington Leaseholders Association Ltd

Amount: £..... (in words).....

Date of 1st payment:

Frequency: annual, until further notice

My account name:

My a/c No: Sort code:

I hereby authorise you to set up this Standing Order payment on my account.

Name:

(signed)

Date: