

# **GUNWHARF QUAYS RESIDENTS COMPANY LIMITED**

## **ANNUAL GENERAL MEETING TRANSCRIPT**

**6.00pm on Thursday 3<sup>rd</sup> October 2019**

**Beckett Hall, Cathedral House, St. Thomas Street, Old Portsmouth**

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### **Present:**

#### **GQRC Board of Directors**

Graham Bland	(GB)	Director (Chairman)
Charles Farthing	(CF)	Director
Cheryl Jewitt	(CJ)	Director
Paul Birdseye	(PB)	Director
Miles Lewis	(ML)	Apologies
Maria Hunt	(MH)	Apologies

#### **Dack Property Management**

Peter Dack	(PD)	Director and Owner
Eleanor Savidge	(ES)	Property Manager
Nickii Smith	(NS)	Secretary

### **Leaseholders In Attendance**

See APPENDIX 'A'

### **Apologies for Absence and Proxies**

See APPENDIX 'B'

### **Transcript Notes: Below follows a transcript of the AGM 2019.**

#### **1. Appointment of the Chairperson**

Peter Dack (PD) opened the meeting and introduced himself as the founder and Director of Dack Property Management. Dack are the new Managing Agents at Gunwharf Quays and he mentioned that he is also now the Company Secretary for GQRC Ltd.

PD advised the assembled group regarding the Housekeeping Rules and confirmed that the meeting would try to end on time at 8pm promptly. PD asked if anyone in the room had any objections to the meeting being recorded on audio/video. No objections were noted.

Post meeting Note: The sound and video recording failed and therefore no recording of the meeting is available.

PD introduced the Directors who were in attendance as being Dr Graham Bland (GB), the Chairman, Mr Charles Farthing (CF), Mrs Cheryl Jewitt (CJ) and Mr Paul Birdseye (PB).

Apologies from the Board were sent by two (2) Directors, Mr Miles Lewis and Mrs Maria Hunt. PD asked if there were any apologies to be reported this evening in addition to those already notified – there were none. PD explained that GB would be chairing the AGM for the most part, as a Director and the Chairman of Gunwharf Quay Residents Company [GQRC] Ltd.

#### **2. Apologies for Absence and Proxies** – See APPENDIX 'B'

#### **3. Minutes of the previous AGM held on 12<sup>th</sup> March 2014**

PD explained that the last AGM was in 2014 and that the meeting notes distributed at that time should have been sent out with the Calling Notices recently sent out by Encore. PD asked if

there were to be any changes and/or amendments to these Minutes. No changes were requested. Therefore, the Minutes were 'Approved'.

#### **4. Matters Arising from previous minutes**

PD asked if there were any matters arising from the previous AGM. None were reported.

#### **5. Chairman's Report**

##### **5.1 Setting the Scene:**

The Chairman (GB) 'welcomed everyone to the meeting' and confirmed that holding a GQRC Ltd AGM *moving forward* would be an Annual event (noting that; the clue is in the name, "Annual"). He mentioned that one of his pledges in joining the Board in the first instance was to re-instate the Annual General Meeting, and here we were with a packed house, standing room only. Clearly everyone felt the same way!

The Chairman (GB) mentioned that at tonight's AGM he would be highlighting some of the unexplained legacy issues the current Board had inherited, for which the new Board were still searching for answers.

GB mentioned that, in some cases, the current Board were unable to explain how these legacy issues had manifested themselves and that the new Board had no assistance from the previous board in dealing with any of the legacy issues, nor any estate affairs, which had resulted in many unsolved puzzles and remaining questions.

Throughout the scene-setting speech, GB pointed to a large sign on the front wall of the hall which read "**NO HANDOVER**", and he stressed that the new Board had received 'No Handover' from the outgoing board of Directors, which he personally found extraordinary and most unhelpful.

The new Board had offered the former board members several opportunities to attend face to face clarification meetings, in order to provide any information or assistance to the new Board. *"We requested to meet to discuss GQRC information, and to help us understand some of the complex legacy issues which we were facing on a daily basis, and to ensure there was an orderly handover process."* GB also mentioned that he was sure everyone would agree that a handover meeting of this nature would have been most beneficial and in the best interests of the estate as a whole. Owners and Shareholders would expect that level of co-operation as a bare minimum from their outgoing directors; however, this never happened for whatever reason.

Despite the many challenges faced by the new Board, the new Board have been very proactive over the past almost eleven months and real progress is now being made. The proactive approach taken by the Board of Directors has included:-

- Identifying problems - some serious and mostly previously unknown
- Tackling those problems in order of their priority (e.g., a Safety First Approach)
- Reviewing and deciding on the various operating models of the on-site organization
- Benchmarking the salaries of the on-site team against operating systems on other estates and on a value for money basis (as it was felt that the previous model was broken and costly)
- Researching and appointing a New Managing Agent (Dack PM)
- Introducing new Board Regulations, Policies, Procedures and Processes (e.g., SOP's) which were not in existence
- Reviewing and investigating any Project and Planned Maintenance Systems, in order to be able to manage the estate properly and professionally in the future (with proper professional processes and approvals - these had been sorely lacking, with little or no

transparency of any real planned management or maintenance approach) and by seeking various other cost-saving schemes and tangible improvements wherever possible.

GB mentioned that the new Board's focus had been on *moving forward* and on doing things better and doing things differently, making '*the future of GQRC brighter*' and '*maximising the financial benefits*' for the whole estate, not just for the few, through rigorous financial management and project controls.

GB went on to mention that financial rigour and proper procedural project controls of various major projects had been severely lacking. He would provide some stark examples in order to demonstrate that 'project controls and projects/construction management' of the estate and its finances was totally inept and deficient of any proper controls and project governance, and that this had led to (as yet) unquantifiable losses and expenditure of Shareholders' (Owners) investments in the estate for zero added-value.

## 5.2 Introduction:

GB mentioned that the new Board had taken a keen focus on improving communications with owners through a clear campaign of transparency and using various communication channels - frequent email updates, a new website, new notice boards, monthly Newsletters - in order to connect with Owners and Residents alike, as well as through the Gunwharf Living Questionnaire,, which was well received by all.

GB mentioned that, in the future, we were planning on holding three (3) Surgery's each year, as well as an AGM, and that the calendar for these four (4) key meetings would be published in the next Newsletter for the year ahead (2020), so that everyone could plan to attend all of these key meeting events in advance.

GB then explained that he had decided to join the Board back in Q2 of 2018 and that in the past 11 months there had been a complete change in the GQRC Board of Directors, noting that none of the former board members remained, whilst also reiterating that there had been no (official) handover. He went on to add that he became the Chairman back in December 2018 (although he had not volunteered to be Chairman in the first instance) but he had been elected in a majority vote.

GB stated that "if this new Board had made mistakes, or had taken a wrong turn here or there"... for those instances, they would apologize; however, they should be forgiven for making mistakes, as they had been provided zero information by the former board. He went on to add that this situation SHOULD NEVER be allowed to happen in the future, and that it was wholly unacceptable for any board to resign en-masse and simply walk away.

He went on to add that there had been, in the past, a complete lack of record-keeping in terms of maintenance issues by the former On-Site staff, who were supposedly being supervised and managed by the previous managing Agent (Encore), and the Board, to some extent. When this was queried with Encore at the July 2019 Full Board Meeting, Encore surprisingly advised the new Board that "*in the past they had agreed with the previous Board of Directors that they would accept a reduced fee for a reduced scope of work; therefore they had no project or maintenance responsibilities towards GQRC*". They went on to add that the site team (Neal Willis and Paul Marlow) were 100% responsible for any and all major spending projects, as well as any major redecoration projects, with minimal interference or oversight by Encore or the former board.

GB mentioned that Encore made this statement to the new Board at the July 2019 Board meeting, which was a great shock, as they had neither mentioned this at the 'new Directors Training Day' back in January 2019, nor did they mention this when they were re-bidding for the Managing Agent Tender in May 2019. This was a complete surprise to all of the new Board members and it appeared that Encore's scope of services was Finance, Admin and Secretarial

Services only, and that we (GQRC) had not paid for “their full suite of management projects and managerial services”. This being the case, we could have employed a local Accounting Firm to manage the Service Charge and Accounting (billing activities) and managed the estate ourselves, instead of involving Encore, who were only offering a slimmed-down set of services. GB wondered if the Owners were aware of this state of affairs!

In summary, GB stated that (to date) there is no evidence of any ‘revised Contract’ or revised “fees”, nor any discussion in a Directors meeting to support an argument for reduced fees and/or services. In addition, Encore provided no evidence (to date) that such negotiations ever took place, whether during their tenure or prior to their commencement of their contract. The current Board had not found any evidence to confirm that this was the case, nor that the fee was ever ‘reduced’, or that their Resident Managing Agent (RMA) responsibilities were amended, reduced or re-negotiated. The Board continues to investigate this.

In 2014 JME (Encore) recommended a Surveyor’s report be carried out on the Gunwharf Quays site; this survey was commissioned (The Metcalfe Briggs report) at a cost of £14,100.00. It would appear that the report was largely ignored and only really came to light when a Section 20 process was commenced on The Vulcan Building in the summer of 2019. This report was never used for planning, or for budgeting and was never adopted by the board or the former managing agent for the uses for which it was clearly intended. The Board continues to investigate this too.

GB also referred to all of the Leases at GWQ’s having similar content, whereby redecorations should be performed every four (4) years. He explained that the frequency of these redecorations cannot be changed without the Shareholders and Landlord’s joint consent(s). He explained that there had been no evidence of any ‘effective reporting’ system provided by the previous Managing Agent and that the current Board had found them to be unhelpful and limited in their abilities. The new Board has made it very clear to Dack Property Management what it is they require and our expectations of a professional Managing Agent. GB stated that Gunwharf Quay Residents Company was ‘*owned by the people*’ and that he wanted everyone to know that the new Board are committed to providing service and *value for money*, even if we are all Volunteers.

GB wanted it recorded that on six (6) occasions, the new Board had attempted to meet with members of the previous board of directors, but for some reason these offers to meet had all been rejected. Many people in the audience found this to be extraordinary.

GB mentioned that no contractor ‘performance review’ was ever carried out, and it appeared that outside contractors were never checked, monitored and / or ‘audited’. Systems to implement this are now either in place, or will be. There were instances of particular contractors working on our site almost on a weekly (sometimes daily) basis, who now cease to work for GQRC, and with whom the Board and the Managing agent have had no reason to re-call to the site. The Board continues to investigate why this contractor was always utilized.

### 5.3 Three Pillars:

GB explained the three (3) pillars of his Chairmanship as being:

**People/Communications** – GB mentioned that the ‘Gunwharf Living Questionnaire’ had been very well received and had also provided the Board with some useful ideas for future implementation. He added that once the Board had caught up with the necessary outstanding maintenance issues, which had been uncovered, they will be implementing more and more improvements as time goes on.

**Money/Transparency** – the GWQ Monthly Newsletters, by which means the Board has kept all owners informed and up-to-speed on those matters that can be made public. GB went on to add that certain issues are not for public consumption, as they relate to matters under legal procedures.

**Buildings/Maintenance** – The Chairman would update the AGM with the main issues and findings throughout his presentation

GB then discussed the fact that the new Board had used ‘external Contractors’ for the reinstatement of the Emergency Lighting and Automatic Opening Vents (AOV’s), which had not been maintained properly by the on-site team/Encore and mostly had catastrophically failed to operate due to poor maintenance.

Indeed, against all industry norms and standards of ‘failure level rates’, both the Emergency Lighting and the AOV’s on the estate had failed at a rate of seventy-five per cent (75%). GB went on to add that this was both abnormal and clearly demonstrated that proper Safety testing of GQRC critical systems were neglected. As the safety of all Owners and Residents was the main concern of this Board, external Electrical Contractors undertook an immediate project to reinstate all systems to one hundred per cent functionality. The Board continues to investigate how this happened. As a result of these hugely abnormal levels of failure, the Board needed to deal with these safety issues as a matter of utmost importance, so they immediately commenced a tender process and awarded the contract quickly, according to policies and procedures.

GB stated that given ‘*where we were*’ back in December 2018, the Board believed that, as a collective, we have achieved many positive changes and enhancements in both operational service and financial value-for-money; however, there are more changes needed, but he stressed that we are all volunteers and that there are only so many hours in our collective days. He went on to ask that “*I hope that you will show your agreement and approval by a vote of full confidence in this current Board and allow us to continue in our efforts to make GQ an even better place to live.*”

### 5.3 Three major concerns:

GB then highlighted just three (3) of his many concerns post the December 2018 exodus of previous Board of Directors, as follows:-

1. There were ‘*No effective reporting mechanisms in place to monitor and / or control either the On-site staff or to monitor Encore (our RMA)*’. There was no overarching governance nor (Board) management or oversight of either the On-site staff or of Encore. It was left to the two former site staff to decide how our funds were spent, on which projects to spend, when to spend, and to whatsoever value, using whatever Contractors they themselves decided. GB stressed that this process was riddled with ‘professional and potential failures’ and that this all stopped immediately the new Board took control of the management. This change in adding a strict level of governance also resulted in the two former site team resigning without explanation.
2. The *Monthly Reporting (by Encore)* was both limited and, in most cases, totally unhelpful. GB went on to add that Encore’s role had been grossly misunderstood by most people, including himself, in thinking that Encore were “in charge” on our estate, and that we were under the umbrella of all their professional procedures and practices as far as business management and project management was concerned. Actually, this was NOT the case, and everyone should be aware that Encore’s role was very limited. In fact, we received services stripped to the bare bones, and to the point where they were actually only performing Administration and Accounting, NOTHING MORE. GB added that he was shocked to find out that the structure in place boiled down to “our former site team in charge of hundreds of thousands of pounds in spending, with little or zero oversight. It was shocking, to say the least.”
3. The new Board has since been very clear on setting expectations of the new MA (Dack Property Management), in terms of their oversight, steer and setting the direction - using

a Service Level Agreement (SLA) approach, and as discussed in the September 2019 Newsletter.

#### 5.4 Transparency and Confidentiality:

GB discussed the nature of GQRC as an estate to be cherished, owned by 'the people' and which requires transparency, whenever and wherever possible. GB mentioned that the new Board is totally committed to professionalism, and had communicated and engaged more with owners than ever before via the new website, regular Surgeries, AGM, new Monthly Newsletters, regular email updates, etc). He explained that in some cases, complete transparency is not possible. Some examples include:

**Board minutes** which are now much more detailed and frequent, contain graphic details and are minuted accurately. These contain references to individuals and/or properties (e.g., STLs, HMOs, or other breaches) or other sensitive issues. We are advised by GQRC's legal advisors that data protection and GDPR means we cannot publish personal details. Instead, it is more practical to have Surgeries and regular Newsletters to give all owners full updates.

**Legal advice** – where advice necessarily sets out all strengths, weaknesses, options and strategic matters for GQRC to consider. If that legal advice is given to someone who may become 'an opponent' of GQRC in a legal case, GQRC would be disadvantaged. Equally, any individual lessee would never disclose his/her own independent legal advice to GQRC in a dispute situation. GB mentioned that we were advised that 'privilege' in the advice needs to be maintained, as it is not in the wider interests of GQRC, or the estate, to publish legal advice in these circumstances.

GB explained that these examples are not about *lack of transparency*, but rather based on sound reasons and advice received. The Board is entrusted to act in *everyone's best interests* and make decisions in the wider interests of the estate.

#### 5.5 Checks and Balances:

GB discussed the new checks and balances that had been implemented, such as Service Level Agreement (SLAs), Annual Performance Reviews for staff, Monthly and Quarterly Reports from the MA, Board measuring MA's performance with SLAs, Shareholders measuring MA. He mentioned that previously the 'dots were never joined', with no up-to-date Registers / Reports - a classic example would be that of the AOV's and Emergency Lights not being properly tested as they should have been, resulting in the failure of both systems with around seventy-five (75%) per cent rates!

GB mentioned that GQRC should be a Safe Place for Volunteers and that this **MUST** be a safe place for Volunteers to work. He went on to mention the following incidents;

- two of the new Directors had their tyres damaged
- a critical blog (filled with lies, misleading information, defamation and fake allegations, even naming people)
- the overall toxic attitudes (former board members swearing at new Board members)

#### 5.6 The Impact of No Handover

The Chairman mentioned the impact of No handover, and how it had been very troublesome having to piece together the trail of fractious record keeping and lack of proper governance. The former Board Minutes of meetings provided little or no assistance, as the Board meetings were so 'infrequent' and 'lacked any detail' whatsoever. However, there was one interesting Board

meeting back on 22<sup>nd</sup> July 2013 and GB referred to this extract in the slides - it was item 2 on the agenda:-

BOARD OF DIRECTORS MEETING:

22-July-2013 (6 years ago)

(EXTRACT FROM BOARD MINUTES)

Item 2. Resignation of Director

A Director resigned from the Board 11 June 2013. The Board was given no reason for the resignation, which was very disappointing to the Board. The Board were particularly disappointed that the maintenance report that had been promised was not supplied prior to his resignation.

GB emphasized the irony in the above minutes, in that the *former board* seemed disappointed that the Maintenance Director had not 'provided any handover' prior to his resignation, and yet they themselves did exactly the same, if not worse. They did not provide a handover for the whole estate, especially its' finances (*close to £1m*), nor any banking handover. GB advised that he is in close contact with the executives at Barclays Bank and will advise in an upcoming Newsletter in the new year.

GB covered the subject of 'Data Protection' and mentioned that after 7+ years in charge, the previous board members had provided zero in terms of data or electronic files. He went on to add that it was vitally important for the Board to have this data and these GWQ files; the reason being that the Company is considered a DATA CONTROLLER under GDPR (*and data protection*) and therefore responsible for controlling 'how data is kept and processed'. However, several questions remain concerning data protection and we will issue a white paper on this in the new year.

Where is this data pre-2019? What has happened to it, and how is it being kept? This question remains open!

5.7 Summary of earlier Board meetings:

GB highlighted the minutes of former Board meetings that we had been found, covering the period 2010 – 2018, as follows:

- irregular gaps between meetings, ranging from 2-9 months
- clear lack of detail and mostly short agendas
- most board meetings rarely attended by all directors
- no mention of any negotiations with Encore before agreeing the MA contract, or what their scope of works should include? No contract documents discussed?
- no mention of the Metcalfe Briggs Surveyors' Maintenance plan/report prepared in 2014, its use, or any business benefits to be gleaned from this expensive report or how it would ever be utilized for planned maintenance purposes or forecasting of budgets.
- no mention of any planned maintenance programme ever being considered or followed
- no mention of safety issues ever being monitored or checked, nor their status
- no mention of STLs or HMOs, or other residents' complaints being discussed, despite some serious complaints and issues being raised by several owners
- Approval of an HMO by the former board, which is a serious breach of our leases
- no Declaration of Interests were ever made, despite the fact that some of the Directors' interests were clearly in conflict with the Leases
- no discussion nor record of most licences granted or other consents or approvals given

There may be other documents / communications that show more day-to-day management / decisions, etc, which we have not seen, but without any handover of information from the former board, and with limited information coming from Encore, this is what the new Board has had to work with!

GB finished by stating that the new Board remains hopeful of a meeting with former directors to help us fill in many of the blanks.

#### 5.7 Section 20 Vulcan Building:

GB opened this section covering the Vulcan Building by discussing the change in the redecoration dates and a spread-sheet which neither Encore nor the former board members could explain nor could they advise the origin of this redecoration schedule. Why were the redecoration dates of buildings modified without consent of Shareholders (Owners) and the Landlords consent? This was the Chairman's question to the assembled.

GB referred to an email dated 17<sup>th</sup> September 2019 from Simon Gwynn of ENCORE

*"I believe that the schedule you attached is likely a reference document prepared to establish the historic redecoration dates. In 2014 the Board commissioned an external building surveyor to prepare a Planned Maintenance Schedule and the painting cycles from that report, taking into account the improvements in modern paint technology, were able to be extended to five years. The Planned Maintenance Schedule of course extended to all services throughout the development, not just redecoration.*

Note: GB mentioned that the current Board has checked the Surveyors Report (Metcalf Briggs) and there is NO EVIDENCE whatsoever to support this claim! The question remains – "Who changed these redecoration dates, why and with what / whose Authority and Approval?" This investigation continues.

#### Vulcan Building Surveyors Report:

*The Vulcan Building – GB mentioned that a letter was sent out on 2<sup>nd</sup> October 2019 about the internal and external re-decoration works that are to be carried out. A spread-sheet exists, highlighting the re-decoration frequency for each block, which on the chart shows a change to every 5 years. The Leases clearly state every fourth year. GB noted that "no-one appears to know where this chart has come from or who prepared it?" He had asked Simon Gwynn at Encore, but SG didn't know the answer! This chart does not indicate why the schedule shows a 5 year plan, nor did the Surveyors know. In their Report, Metcalfe Briggs did not advise any changes. GB mentioned that we must adhere to the 4 years, as stipulated in the leases.*

GB discussed the Vulcan Building, formerly known as The Grand Storehouse, which was the largest ordnance storehouse attached to a dockyard in Britain prior to 1900.

Today it is classified as a Grade 2 Listed Building, i.e., it is included in the Secretary of State's List of Buildings of Architectural or Historic interest, which warrants every effort being made to preserve them.

The Planned Maintenance (Surveyors) Report, as commissioned back in Sept. 2014, at a cost of £14,100, raised issues with the fabric of the Vulcan building. *"In particular, the Roof area B and Roof area C, relating to dormer windows and lantern light above apartments of Vulcan 1-12 – areas of rotting timber which had been painted over only weeks before the report was produced."* The new Board has been carrying out physical inspections of ALL these areas to ensure that the detailed works, as recommended in the Metcalfe Briggs Surveyors Maintenance Report, were carried out to the satisfaction of the Report.



Sadly, this was not the case, and GB showed detailed and clear photographic evidence that most of the building's wooden windows and structures were, in fact, "rotten", had been rotten back in mid-2012, but had over painted during the Section 20 (s20) works. These comments were throughout the MB report.

Note:

GB noted that allowing any building to deteriorate to this level was unacceptable – he reiterated that owners and landlords of Listed buildings have a duty to maintain them in good order; failure to do so could result in legal action being taken against the owners by the Local Authorities. GB mentioned that the Board are in direct contact with the Conservation Officer of PCC and will keep Owners advised of developments.

The Chairman detailed a phone call with one of the Directors at Metcalfe Briggs, who confirmed that "the fee for the original Metcalfe Briggs Planned Maintenance Report / Schedule, dated September 2014, was £14,100 including VAT."

Encore's (JME's) contract was to arrange and oversee (manage) repairs, obtain cost estimates and to arrange for the works to be done professionally. GB asked if there was anyone in the room who had any documentation to say that this was not the case? The lantern over The Vulcan Building, which was also "painted" back in 2014 is rotting. A letter has been put through the door of that property to advise the owners of this situation. Many of the windows of The Vulcan Building and the Old Infirmary were also found to be 'rotten'.

MB reported that "the cost to refresh and update this Planned Maintenance System (PMS) – the Metcalfe Briggs report - dated September 2014, would be an additional £10,000 (excluding VAT) and subject to a more detailed analysis of the survey requirements". Although we have a 'base' document, there is a very large amount of survey work and computation of costs to be completed.

*Metcalfe Briggs mentioned; "In respect of the redecoration spread-sheet and its origin, which changes the frequency of the decorating in various blocks, we **did not** produce this document. In the 'last done' column there are entries for works in 2018 and our last involvement was 2014. This document appears to provide a record of when works were last done, albeit the content of the works is not stated. I do not know why the cycle period has been increased to 5 years, especially as the lease states 4 years cycle for redecoration. We would **not recommend** changing the cycle for redecoration, even though paint technology has improved, your development is right next to the Solent and the weather plays a huge factor in determining the frequency for redecoration, as deemed necessary by the Lease. MB would advise to simply follow the Leases!"*

5.8 STL – the Legal Route:

GB advised that the new Board (at the time; Roger Shearn and Derek Leverett) had developed a policy and procedure for dealing with short term letting (STL), which they shared with ENCORE. This was the Board's idea and our Intellectual Property (IP), noting that ENCORE had no templates from any of their other sites for dealing with SHORT TERM LETS.

The Board commenced using this approach back in March / April of 2019; as we faced resistance from people who were clearly in breach, we took a new approach:-

- Short Term Lets were now covered in EVERY Newsletter
- STL reminder letters were sent to all households (by ENCORE)
- STL NOTICES were on all Notice Boards on the estate (30+)
- We discussed STL at every SURGERY in 2019 and the consequences
- The website covered STL extensively

- How was it possible that if you lived at GWQ you weren't aware of the gravity and seriousness of this breach?
- The fact remains that, at the heart of the matter, the people who are challenging the use of funds to uphold the Lease are those who are mostly in breach themselves.
- If these offenders would stop their 'breach activities' we would not need to spend a penny

GB explained that before the Board gives its' updated position, it is worth reminding everyone how we got here. One of our residents had been on a journey with STL's for some time and who better to give us the context and background to this subject, bearing in mind that in January 2019 we had over 43 reported STL's on GWQ estate - we now have just seven (7) cases pending.

Post Meeting Note: currently it is less than two.

At this point, Mr Graham Jenkins stood up and addressed the AGM audience. His testimony was emotional and passionate, and he articulately explained how he had been a victim of a neighbour running a short term letting business and the steps he had taken to get the Board and Encore Management (at the time) to help him. He received no help and was ignored. The Encore Regional Manager at the time (Mr Kim Thomas) mentioned to Mr Jenkins *"I would like to help you; however, the Board has no appetite to tackle short term lets (STL)."*

Mr Jenkins mentioned that back at the October 2018 'STL' SPECIAL SURGERY, he challenged the old board with three simple questions from Mr Graham Jenkins:-

1. **"Why now"**? (especially considering Peverel's 2004 letter, stating that STL was a Breach of the Lease)
2. What is their process for dealing with STL and HMO?
3. Who is going to champion this?

There was no follow-up to these three questions from the former Board, but within one month they would all resign as Directors.

GB mentioned that Legal letters had been sent to 13 STL and HMO properties to date, with the following results:

- 4 fully resolved.
- 1 resolved, but disputing legal costs.
- 7 unresolved / on-going. (+£3,300 )
- At least another **5** properties suspected – new properties being reported regularly.
- Several letting agencies involved in advertising.
- Many cases denied or resisted. Short term guests told to lie. Owners disguising STL use. Resistance adds to cost.
- No court action taken yet.
- Legal Costs to date re: STL
  - paid to enforce against owners in breach £7,286.40
  - has been recovered from owners so far £944.00.

GB mentioned that all legal opinions are clear, in that:-

- STLs are a breach of the lease
- GQRC can make a Regulation preventing STLs and recover enforcement costs through service charge

- Alternatively, GQRC can require owners to contribute to costs incurred that are not payable as service charges

GB discussed the previous legal advice from 2018 (the historic Longmore's legal advice) which stated that the service charge funds could not be used (unless a Regulation was introduced).

Two other law firms strongly disagreed with the Longmore's advice. GB stated that we cannot disclose the advice, as some owners operating STLs had raised this issue to resist paying enforcement costs.

The fact remains that all options end up with the same result. All owners can be asked to contribute to any costs that are not recovered from the owners in breach.

So, the real question is not "whether costs can be paid for and recovered through service charges?". The real question is **"Do owners want GQRC to tackle this problem and contribute to the costs if necessary?"**

The current Board believes they do... and in an almost unanimous vote, everyone in the AGM meeting voted to continue to pursue STL breaches and uphold their Leases.

Mr Graham Jenkins (GJ), a Leaseholder, explained to the audience that he had "let the Genie out of the bottle" so to speak. He said the way some of the old board had dealt with him was unacceptable. GJ explained that the issues he had were not personal, but were against short term lets. He informed residents that they should be proud of the new Directors of GWQ, as it was going downhill before. GJ reported that he had visited a development in Bath recently and spent some time with the Chairman - there were no short term lets on that site, as the residents would not tolerate them.

GJ also stated that GWQ can attract Stag and Hen parties as Short Term Let residents, which may potentially reduce the property prices by up to 12%, so this affects everyone. He argued with Encore about the STL's and the previous board. A ruling was eventually issued and GJ took on his neighbour (who was offering short term lets) and actually had him stop; this took GJ 17 months of meetings with Encore, who made lots of excuses and residents were not informed. GJ said that GWQ should not promote Airbnb, but instead should promote the quality of life for residents. He said that once the new Board had been appointed, he met with GB and said that he is a man who genuinely cares, and in particular about the issues on short term lets - these have gone from about 40+ units down to under ten.

Graham Jenkins received rapturous applause and huge thanks from Residents and Owners alike for his persistence and determination in seeing this STL incident through to its conclusion.

GB advised that the current Board is going to "champion this cause" and reported that 15 years ago Peverel stated that 'anything under 6 months was deemed as a short term let'. He confirmed that the Board will pursue short term lets with firm legal action where necessary.

There are several letting agents advertising short terms lets and guests are often told to lie about stays. The legal advices received are **all clear** in that **short term lets are in breach of the lease**. *Legal Advice* - GB advised that the Board cannot distribute legal advice in newsletters. *Legal Costs* – the legal costs have also covered many issues such as abandoned cars, that have now been removed. DPM have now been provided with templates to enable them to enforce breach issues.

GB stated that this was by far the most emotive issue on the estate, and that the Board's STL campaign reflected the strong will of all owners, judged by their positive feedback. He went on to add that there was some conflict, in the sense that, almost all owner / occupiers want action, but

owner/investors weren't as keen. This was only a problem because some owners are breaching their leases.

### 5.8 Maintenance & Safety:

GB stressed that YOUR SAFETY IS OUR MAIN CONCERN.... and that in undertaking any and all of the Maintenance activities, the Board has placed the Safety of Residents at the heart of all our plans.

As mentioned earlier in the AGM, the Board 'Audited' the estate and reviewed whatever documentation was available - we uncovered some alarming findings. These findings meant that many Home Owners and Residents were living "At Risk" in buildings which were NOT safe for habitation. The first tests undertaken on emergency systems (Automatic Opening Vents and Emergency Lights) all failed miserably, with over seventy five per cent (75%) of Automatic Opening Vents and Emergency Lights failing! The reports found on the site computer and in files inside the office showed a completely different picture, and suggested that the AOVs and Emergency Lights had almost all 'passed' their inspections and tests! The Board is conducting a full investigation into the matter and will report its findings at a Surgery.

According to a report carried out back in 2018, almost all of the systems passed their health checks. How could this be possible? When Encore were questioned about these anomalies, they responded by saying that *"they were not responsible for these task,s as their involvement in programme and project management and planned maintenance had been reduced by the former board"*.

DPM immediately stepped up and helped GQRC in managing the testing of both the AOV's and the Emergency Lighting, ascertaining that some of the AOV's had been physically 'screwed' closed (shut) and some AOV openings were blocked by plants, implying that they had never been tested. Two contractors were been brought on board and immediate remedial works were carried out. Some of the emergency lights were found to have been replaced by ordinary lights (a clear code breach) and these lights have now been replaced to the correct code and standard. The plan for the future is for all lights to be changed to LED, making huge savings. In addition, GB showed actual test certificates from mid – 2019, demonstrating the extent of the safety systems failures.

GB then showed a slide demonstrating the fuel costs at GQRC (both petrol and diesel) for the years 2017, 2018 and 2019. The slide demonstrated that the fuel costs in 2017 and 2018 were close to £1,000 per annum, with a maximum 'single spend' of £143; in the whole of 2019, since the new Board took over, the fuel costs for 2019 are only around £179 (for the whole year) with a maximum single spend of £55.

We should also note that 'nothing had changed' in the meantime; we were still operating the same amount of on-site equipment and still cutting the grass and operating the cherry-picker, so the question remains "why were the fuel costs so high?". The Board are further investigating how these fuel costs in earlier years were five (5) times more than the same period for 2019, especially as there is no vehicle on site which could take £143 of fuel, even if we filled all the jerry cans for the lawnmowers and gardening equipment!

GB then showed a slide demonstrating the costs of employing one (1) particular Contractor at GQRC (*utilized for a variety of ad-hoc jobs*) for the same period as above (years 2017, 2018 and 2019).

This slide demonstrated that the cost of using this 'contractor' over a one (1) year period (Apr 2018- Mar 2019) was £50,252.40. It should be noted that in the whole of 2019 and to date (since the new Board took over), we have not needed to call on this contractor once for any work on site

- instead we have managed most of the tasks in-house courtesy of the on-site team employed by GQRC!

In essence, we paid £50,252.40 for one year and £0 for this current year! That is the observation to be made clear! Needless to say, the Board are still investigating and will report their findings.

In terms of banking, GB introduced Roger Shearn (RS), who mentioned that the Board continues to be frustrated by Barclays Business Banking.

Although they have twice admitted errors in their past recommendations to us, and have since offered us a compensation payment due to their mistakes, we are still unhappy with their performance and the current placement of our money.

In an attempt to put closure on the matter, GB mentioned that GQRC have submitted a full record of events to the CEO of Barclays Bank, highlighting our disappointment regarding their services overall, as well as a counter claim for damages and losses.

We are currently looking at future banking options in conjunction with our Managing Agent, to ensure that our Reserve Funds are fully protected under RICS Client Money Protection Schemes. This has been a lengthy learning curve for us all, not helped in any way by the attitude of Barclays Business Banking nor with the former board members resigning without a proper GQRC banking transfer or handover process. Barclays has apologized "for the misinformation" and made their compensation offer.

GB reported that it was most inappropriate for Barclays to have written to a former director about GQRC's account in the way that they did. They also appeared to accept that their initial letter to the former director was not correct; we have therefore requested that this letter be retracted (for the GQRC records).

We have subsequently requested additional compensation for our legal costs in dealing with these miscommunications and misleading letters from Barclays, incurred as a direct result of the above.

#### 5.9 Our Proposed Resolution moving forward:

The new Board proposed the following Resolutions, and advised that they will be issuing several new Board Regulations in the New Year (2020) for the further improvement of the estate as follows:-

1. Regarding STLs and HMOs
2. Regarding the Sale/Rental of GQRC parking Spaces
3. Regarding Breach of Nuisance/Unsociable behaviour
4. That no GQRC Director (on the Board) **should ever be paid a fee**. After all, this is a Voluntary role and, despite the time demands on all Directors, this would be a clear conflict of interest. [The new Board are uncomfortable with any Board member being paid without a vote by ALL Leaseholders]
5. That all Bank Signatories should only be current Directors, Shareholders or the RMA's representatives (*under discussion with the Finance Sub-committee*)

#### 5.10 Some news about Future Plans:

GB explained some of the future plans for the estate – as mentioned below:

1. A full review of all the **CCTV** coverage to enhance the cover to all areas, such as lift lobbies, basement lobbies, garages, lifts and all communal areas.

2. A study of passive Infra-Red (**PIR**) installations to TURN OFF Lights when they are not in use
3. A study of **LED** lights installation - recently completed
4. A review of entrance **Intercomms** currently underway, to replace across the whole estate.
5. A plan to properly '**Clean the estate**' (the "Big Clean Up")
6. To continue the purge on **STL's and HMO's**
7. Much more emphasis on **Landlord's Responsibilities** (*for their tenants behaviour*)
8. Increased **Security**, due to recent anti-social behaviour taking place on the estate by 'non-residents' is under review.
9. A review of the entrance barrier – with a view to reducing tailgating.

#### 5.11 – In Conclusion:

1. GB mentioned that in tonight's AGM we had highlighted some of the difficult issues which the current Board had inherited.
2. We are unable to explain how those issues have come about and have had no assistance from the former board.
3. Despite challenges, we have been proactive over past 10 months and real progress is being made to:
  - Identify problems - some serious and previously unknown
  - Tackle problems in order of priority (e.g., Safety First)
  - Seek a New Managing Agent
  - Develop new systems to better manage the estate in future – proper processes, costs savings and tangible improvements
4. Our 'Focus is on the Future' and maximising the benefits for the whole estate.
5. With improved transparency and communication (Newsletters) with Residents.

**TOGETHER WE WILL GET IT RIGHT !**

#### 6.0 - To Adopt the Company Accounts and present the service charge accounts for the period ending 31<sup>st</sup> March 2019

*Company Accounts* – PD explained that the Company is 'limited by guarantee', which means all leaseholders own a 0% value in the Company. These are known as dormant accounts, as there is no income or expenditure. The Company bank account is for "reserves only" and is controlled by the Company. The Directors are signatories for this account, to stop the Managing Agents holding monies unnecessarily. PD reported that "adoption" is merely a formality and directors sign off the accounts. - *Adopted and Approved.*

*Service Charge Accounts* – PD advised that everyone will get a copy of these. They would not be up for discussion this evening, as DPM only received them from Encore a week prior and no invoices had been provided, so at present PD will hold onto these accounts until such time as DMP have analysed them in more detail. PD explained that once he has received all the relevant invoices from Encore, he would send a copy to all leaseholders and reported that hopefully the

service charge accounts would be available in good time. PD explained that service charge accounts are not a Company matter and any leaseholder is entitled to raise questions and ask to see copies of invoices. One can make an appointment to view them either at the office of DPM or at the site office. PD apologised for not being able to discuss the service charge accounts in more detail at this point.

PD explained that a full handover from one agent to another might take up to 8 weeks so, at present, DPM would not know how much each individual leaseholder owes and will not until everything has been provided by Encore. Once DPM have all the relevant information, an "Application for Payment" can be sent out.

A question was raised by a leaseholder – If Encore has already been sent a payment for the service charge, will this be sent over to Dack? PD responded that it will.

#### 6.1 To elect the Board of Director's and Company Secretary.

PD proposed that the Board of Directors should be re-elected en masse. PD asked if everyone accepted this principal – "Yes" with no objections. Board re-elected.

PD had received two nominees, Richard Hillier and John Miller and both were asked to introduce themselves to the room.

*Richard Hillier* - RH said that he had lived at GWQ's since 2004 and is already involved in a Neighbourhood Forum and would like to become more involved with GWQ's .

*John Miller* – JM said that he has owned his flat since he purchased "off plan" on The Canalside and has been involved in battles with some of the bars. JM explained that he had been on the very first Residents Association committee and having now just retired he feels he can give time and energy to the Board. He is also a local councillor in Sussex.

*No objections, both duly appointed.*

GB nominated PD as the Company Secretary.

One leaseholder asked that, "if PD was Company Secretary, would there not be a conflict of interest?" PD replied that as Company Secretary he would have no voting rights, he would just be running the administration side of things. PD went on to report that it is him that provides that admin role, not a Property Manager and he organises the annual returns, AGM's and Directors meetings; he also has to report to the Directors. PD explained that he is COSEC for 150 Companies.

*Company Secretary – Approved and Appointed.*

#### 6.2 To appoint accountants to hold office until the next General Meeting before which accounts are to be laid.

PD explained that the current accountants are a preferred accountant of Encore and that a new accountant needs to be appointed. DPM will look into finding an accountant for the service charge accounts. DPM to obtain competitive quotes for the Directors to consider.

*Appointment to be deferred until such time as Directors approve.*

Question raised by a leaseholder – "Did PD mean that we need auditors or accountants?" PD responded that it would be an accountant; an auditor is not necessary.

#### 6.3 - To Introduce our newly appointed Managing Agent

PD introduced himself again, as the Director of DP; he then introduced Eleanor Savidge as the Property Manager for GWQ's and Nicki Smith, who is minute taking. PD also explained that there is a large team back at DMP Southsea, including a hard-working Accounts Team.

*Eleanor Savidge* - ES introduced herself to the leaseholders as the Property Manager for GWQ's; she will be looking after the day to day matters. ES informed the residents that she will be on site every weekday between the hours of 11am to 1pm, to speak with residents and update notice boards etc.

PD advised that although DPM have only just taken over the managing of GWQ's, ES had been working behind the scenes already for about a month.

*7.0 - To transact any other business as may be pre-notified to the Managing Agents no later than seven days prior to the date of the meeting*

**Roger Shearn** – RS reported that back in February he was reviewing the banking and raised concerns as to the suitability of the 'Reserve Fund' account.

These concerns are now being challenged by the former directors. RS and GB had met with Mr Jarvis of Barclays Bank. The view that monies were in the wrong account is now subject to an internal investigation by Barclays Bank.

**Mrs Robinson** – “With the car park security there is a coded door for pedestrian access and the code never gets changed; can we get the code changed regularly?”

*PD to look into organising this.*

**DR** – What’s happening about the CCTV ?

*GB stated that the intention was that the new CCTV coverage would cover the whole estate. Some people know where the cameras are currently situated and may be avoiding them. Data is stored on the current server for a maximum of 30 days, but the new CCTV system will have a larger Server and hence will be able to store data for 180 days or longer.*

**Jane Green** – “With the lights going onto the PIR system, will a light stay on in the lobby?”

*GB explained that there will always be an ambient light on at about 10%.*

**Anthony Soloman** – Mr Solomon mentioned that issues had been raised about banking in a Newsletter and that the current Board members had made statements about previous board members regarding banking issues. *Mr Solomon* requested an apology (to the previous board members) be made in the next Newsletter?

*GB reported that the current Board were awaiting a response from Barclays Bank HQ and that a response would be made public, subject to the answers received.*

*GB further explained that the Board had made a formal complaint (and had received a formal compliant number) and that they had made contact with the Specialist Complaints, Advocacy Team at Personal & Corporate Banking in Northwich, Cheshire, but that there was no definite time frame for a formal response.*

**Dave Robinson (Leaseholder)** – Mr Robinson mentioned that the handover from Encore as a whole was terrible, and that the Board and GWQ's team should be wholeheartedly thanked.

**Dave Robinson** – When is the next Surgery date?

*GB advised that the next date will be advised in the next Newsletter, together with the Surgery and AGM dates for 2020.*



**Dave Robinson** – Gave his support and Congratulations to the new Board for an excellent job well done!

**Ann Wilson** – 6 Perseus Terrace – “With regards to the temporary fencing and gate, people have already tried to destroy it. Was it really necessary to have this additional wire fencing in place until we get planning permission?”

*GB – reported that the reason a temporary measure with the additional wiring on top of the fencing was set up was to stop people climbing over the gate (such as the young boy assisting an elderly lady to climb over); if there were an accident would GWQ's be liable? Overall, the gate appears to have stopped a rat run of people using the estate as a short cut and until planning permission is granted, the temporary measure will remain in place.*

**AW** – Said that the help given by previous Directors, Derek Leverett and Stuart Griffiths, should be acknowledged and they should be thanked.

*A round of applause was given to thank Derek and Stuart.*

**Ian Martin** – Arethusa House – “Can the security barriers be linked to the apartment entry systems?”

**GB** – No - this is currently not possible with the technology installed to date.

PD asked if there were any further questions.

No further questions, meeting ended at 20.00.

## **Leaseholders In Attendance - APPENDIX 'A'**

Anson Court - Mr & Mrs Edwards, Mr & Mrs Newell, Mr & Mrs Jenkins, Antonia Bennett, Paul Michie, Jane French, Nick Booth, Sue Blacklyn and Mr Lane.

Arethusa House - Mr A Soloman, Mr & Mrs Reeve, Mr & Mrs Griffiths, Ms J Homfray, Mr Wallace, Mr & Mrs Martin, Mr R Hipkiss, Mrs C Sykes, Mrs V Wilson, Ms E Miles. Dr Collins, Mrs A Burgess, Ian Dunkley, Clifford Green, Mr & Mrs Maddock, Maureen Rigby and Neil Fryatt

Blake House - Trevor Watkins, Mr R Chequer, Mr & Mrs Robinson, Mr & Mrs Porter, John Martin, Mike Smith, Mr & Mrs Renyard, Mr I McHeeney, Jane Green, Mr & Mrs Wokey, Mr & Mrs Webber, Roger Shearn, Cheryl Jewitt and Mr & Mrs Leverett.

Brecon House - John Wingrove, Mr & Mrs Miller, Richard Hillier, Mr & Mrs Russell, Simon Clarke Mr & Mrs Birdseye, Mark Whitting, Marisa Armstrong, Peter Sheehy, Mr Chard and Mr Webber.

Centurion House - Vanessa Wakefield and Mr & Mrs Cooper.

Jupiter Court - Mr & Mrs Turner, Deborah Baker, Mr & Mrs Farthing, Anne Keeping and Mr Batt.

Lysander Court - Mark Kerkoven, Mr & Mrs Smith and Mr & Mrs Earnshaw.

Minerva Crescent - Simon Clarke.

Neptune Court - Veronica Pearson and Mr & Mrs Hucker.

Perseus Terrace - Mr & Mrs Wilson & Dr G Bland

The Vulcan Building - Kevin Williams and Heather Dack.

**Apologies for Absence and Proxies – APPENDIX 'B'**

Mr & Mrs Marklew, Arethusa House, Proxy, Ann Wilson,  
Andrew Davidson, Blake House, Proxy, Anne Webber,  
N & J Ford, Blake House, Proxy, Roger Shearn,  
Susan Lewis, Perseus Terrace, Proxy, Graham Bland,  
Rhea Bland, 20 Centurian Court & 1a Brecon House, Proxy, Graham Bland,  
Alan Brister, Arethusa House, Proxy, Roger Shearn,  
John Wooton, Blake House, Proxy, Cheryl Jewitt,  
Miles Lewis, Perseus Terrace, Graham Bland,  
Rosaleen Kirby, Anson Court, Proxy, James Kirby,  
John Wood, Perseus Terrace, Proxy, Graham Bland,  
Tony Snell, Perseus Terrace, Proxy, Graham Bland,  
Martin Renilson, Brecon House, Proxy, Paul Birdseye,  
John Young, Anson Court. Proxy, Cheryl Jewitt,  
Stuart Griffiths , Arethusa House, Proxy, Derek Leverett,  
Nicholas Booth, Anson Court, Proxy, Paul Birdseye,  
Nasser Sharan, Perseus Terrace, Proxy, Graham Bland  
John Biller, Proxy, Graham Bland,

Steve White, Mr & Mrs Koban, Heidi Fennell, Brian Burgess & Peter Goodship.