

**12/01/14**                      **EIVT MINUTES**

**Location:**                      Harston Drive, Enfield Island Village

**Date:**                              12 January 2014

**Present:**                      Vladimir Ioannou (VI)  
Iveta Nemcova (IN)  
Carmen Wallace (CW)  
Abhay Shah (AS)  
Daniel Campos (DC)

### **Minutes**

**The meeting was convened at 18:30 by Chairman Vladimir Ioannou.**

#### **Agenda**

##### **1. Appointment of Trevor Gibson as a Trustee**

Vote to appoint Trevor Gibson as a Trustee – there has been feedback from Members that there are not enough Trustees

**VOTE:                      FOR (5)                      AGAINST (0)                      ABSTAIN (0)**

##### **2. Should the Trust remain a charity?**

VI explained that people commonly use the expression 'our money' when referring to the Trust's funds. The term 'our money' is incorrect. The correct term is the 'Trust's funds' or the 'Trust's money'. The reason is that since the Trust was converted from a resident's association to a charity in 2009, the money cannot be distrusted back to the member but can only be used for the benefit of the village to carry out the Objects of the Trust. The Objects are detailed in the Trust's Memorandum and Articles.

As a result of the above point it would be imprudent to sell the properties purchased by the Trust unless a better use can be identified for spending the funds from the sale of the properties that would benefit the residents in accordance with the Trust's Objects.

On 10 Jan 14, VI met with Russell Cook Solicitors who converted the resident's association in to a charity. The solicitor's indicated that if EIVT were to revert back to being a residents association then the Charities Commission could take the funds and give it to another charity with similar Objects.

VI proposed that we should explore the possibility of splitting EIVT into two organisations:

1. Residence association – for maintenance of the infrastructure of the village
2. Trust (charity) – raise money for the village (basketball court, allotments and so forth)

Contrary to beliefs, there are no tax advantages in converting to a Charity

**Action:** VI to arrange for Russell Cook Solicitors to find out the cost to revert back to residents association

**Note:** This is for exploratory purpose only so proper facts can be established to determine what the right thing to do is to benefit the Members and residents.

### **3. Community Centre**

It was agreed that Community Centre worker Martine Eni should first seek Board approval when deciding which community centre projects to continue with. This measure is taken to ensure that the projects are in accordance with the Objects of the Articles.

VI informed the Board that Martine Eni had informed VI that Richard Mitchell, a very vocal and pro-Amber resident wrote to charity commission to complain but did not elaborate on what the nature of the complaint was.

VI informed the Board that Ian Campbell confirmed that rent-charge money had never funded the community centre, however, VI discovered otherwise. VI is very concerned about the level of expenditure by the Community Centre particularly as there is a lack of accountability and accounting records concerning the:

1. hall rental and the whereabouts of the hall hire receipts
2. level of service charge and insurance paid to RSA
3. preparation of accounts for the community centre in the noticeable absence of any ledgers or books of accounts

VI stated that Martine Eni had confirmed that she is not raising enough money because of the high reserves in the Trust's bank accounts

### **4. 'Save Our Island' smear campaign**

It has come to the Board's attention that Andrew Colledge, a former Trustee, is providing the web platform for the smear campaign

### **5. Operational matters**

#### **5.1 Small repair cost savings and supervising of contractors**

A permanent caretaker has been employed to carry out small repairs and supervise the work of contractors. Since the new Board was formed, there have been many cases where contractors could not provide or were unwilling to provide evidence of the work they had purported to carry out. In one case an invoice was received and when the supplier was asked to demonstrate the work completed, no further communication was received.

The caretaker has been employed on a self-employed basis for a remuneration of £1800 a month for a 40 hour week. Duties include patrolling the village in a visible vest, collecting and disposing of fly-tipping daily, supervising the daily litter picking, interim maintenance and inspection of playgrounds, supervision of contractors and completion of their work. An email address has been created and added to the [eiv.org.uk](http://eiv.org.uk) website whereby residents can report repairs direct to the caretaker [maintenance@eiv.org.uk](mailto:maintenance@eiv.org.uk) . Residents are also able to

take advantage of reduced rates for private repairs by benefitting from a £25 hourly rate which includes electrical repairs by a trained electrician.

## **5.2 Breach of contract by Amber Management**

Amber Management, who is paid an annual fee of £73,800 for EIVT managing agent duties, breached their contract with EIVT and was subsequently dismissed on 13 Dec 2013.

## **5.3 Platinum gardeners given notice**

Platinum gardeners have been issued notice to end of February 2014. Platinum refused to allow VI to inspect and to supervise work carried out. Inspection and supervision is required to maintain proper records by way of attendance notes. Platinum would not cooperate and was not prepared to show VI the area they worked at. VI informed them that unless they comply and allowed inspection that as the Trust's treasurer, would not be able to propose payment to the Board. Platinum refused to show the work they had completed. Records have been retained of the emails showing Platinum's refusal to agree to inspection and supervision.

## **5.4 Fly tipping notice to KPR**

Fly tipping notice has been issued to KPR to end on 31 January 2014. The caretaker will now collect fly tipping daily for the Trust and will save the Trust [and therefore the Members] £18,000 per year.

The Board has offered all Block Management Companies (BMCs) the opportunity to have fly-tipping collected daily by the Trust caretaker. While the BMCs would pay the same rates as they were paying to KPR, they would benefit from having the fly-tipping collected daily instead of once a week.

## **5.5 Generating income from the boat**

The Trust is to approach an advertising agent to sell advertising space on the boat to fund water rates and fountains in the water. H2O will obtain quotes.

## **5.6 New gardener**

VI is communicating with a candidate as a new gardener who has some innovative ideas that will add value to the village such as:

- designating allotments in the ecology area
- a poly-tunnel green house to grow plants and flowers for the village. The idea is that half of the plants would be used for the village and half would be sold with 50% of the proceeds going to the gardener and 50% to the Trust's funds

The Board believes that the allotments will provide added value to the Members and the flowers and plants will add to the ambience of the village and make the village a more desirable place to live.

The gardener will require a lawn mower and garden equipment. It is proposed that the Trust pay for the equipment and add the equipment to the Trust's asset register. However,

maintenance schedules will require to be maintained in line with health and safety requirements.

**Action:** Budget to be confirmed and an evaluation to be made of the benefits of the Trust purchasing and maintaining its own equipment versus contractors supplying their own equipment.

### **5.7 Security**

IN to design, organise and obtain a price for magnetic signs for the van and smart car.

### **5.8 Fines for littering and dog fouling**

Introduce a £75 fine for littering and dog fouling

### **5.9 Container**

A container is to be purchased for storing gardening equipment. Consideration is to be given to placing it in the unused car park in Phase1 or preferably in the ecology area which would be closer for future gardening projects.

### **5.10 Open-air gym**

Dismantle the open-air gym as no-one uses it and it is a hazard and costly to maintain

### **5.11 Damaged dog foul bins**

IN to order replacements for the damaged dog foul bins

### **5.12 EIVT accounts**

As referred to in item 5.2, Amber Management is in breach of contract for failing to keep proper books of accounts and not being able to supply the Board with a trial balance or ledger account for suppliers. VI will have to rebuild two years' worth of accounts. The matter has also been brought to the attention of Roberts & Co, the accountants employed by Amber Management.

As a result of having to rebuild the accounts, which the former Trustees and Amber Management were responsible for, a one month extension to submit the accounts has been requested from Companies House. The accounts are being rebuilt in accordance with SORP.

VI stated his concern over previous expenditure manipulation. A new Independent Examiner will be engaged to prepare the accounts. The estimate of the Independent examiners fees is to be obtained.

### **5.13 Close Brothers bank account**

A Close Brothers bank account has been discovered by VI with the substantial sum of approximately £50,000 in deposit and yet there is just one sheet of paper found hidden amongst invoices to show that the account exists. There are no other records. VI expressed concern that the lack of records raises suspicions that the account was deliberately hidden.

### 5.14 EIVT office

The office has now been made functional. A telephone line and internet facility has been installed and VI has donated two computers. Angela will work there 15 hours per week and deal with correspondence and telephone calls.

### 5.15 January monthly residents meeting

The next meeting is on 16 Jan 2014 at the EIVT office. AS, as a new Trustee, was warned that the atmosphere in the meeting is very aggressive and a number of the members are unruly and disruptive. In order to be able to get through the agenda, the Board is introducing new rules whereby the first hour is set aside for the Board to present the agenda without interruption and the second hour is where residents may ask questions by raising their hand. AS commented that he has plenty of experience with running meetings and has no concerns.

### 5.16 Clay cap survey

VI was concerned that the SKM Environs report was not providing any meaningful measures on contamination escape from the clay cap. The survey merely included a walk-around the village and a report on approved or unapproved building works such as swimming pools, ponds, conservatories and so forth. SKM Environs also have a disclaimer in their report that the information in the report cannot be relied upon.

When speaking to SKM Environs, SKM Environs expressed surprise that EIV village is the only place in UK that continues to have such an inspection after 20 years. They confirmed that they would be happy to support an application to the council to dispense with the inspection permanently as they do not consider it to be a risk any longer. They have not encountered any incident after 20 years and they believe that the situation is unlikely to change.

**Action:** AS requires further assurances that the clay cap does not represent a risk and will use his network to commission a study on:

1. the shelf-life of the contaminants
2. the potential effects a breach of clay cap could have on life, livestock and plant and fauna
3. what value the current clay cap survey provides
4. any additional measures and measurements one would expect from a survey to monitor breaches

The next clay cap survey is due in September 2014 and so the study should be completed by then.

## 6. 2014/15 Budget

VI will present a schedule of savings at the forthcoming monthly resident's meeting with a breakdown of how the savings were made. The budget will be compared to the 2013/14 budget prepared by Amber Management and agreed by the former Trustees. The budget should provide confidence to the Members that the Board is spending the Trust's funds wisely and therefore will dominate the agenda.

## 7. New managing agent

With Amber Management dismissed from acting on behalf of the Trust a new managing agent is required. VI is confident that, utilising his company ICRI Ltd, he can ably execute the duties previously executed by Amber Management. The managing agent duties described in the Amber Management contract are largely administrative and financial. Large works are contracted out. VI has extensive experience of running multi-million pound businesses and does not see any reason why he could not run the managing agent business, which is a relatively small and simple business, at least on an interim basis. AS, as an OHSAS 18001 Lead Assessor, can provide the necessary expertise on health and safety issues.

As this proposed change is unorthodox, due diligence will be required to ensure that the Board can satisfy itself and the EIVT Members that it has taken all reasonable and necessary precautions to ensure that the Articles Objects are not compromised.

**Action:** The Board will conduct an evaluation before making a decision and make the evaluation publicly available.

As part of the evaluation, consideration is to be given to the managing agent role to be remunerated as the role is additional to being in a voluntary role as the Trust's Treasurer. A payment of £4000 per month on an annual contract basis for the managing agent position is to be considered by the Board. Consideration is to be given to back-dating the payment from when VI started rebuilding the accounts in around September 2013. Clause 6 of the Articles allows for remuneration to Trustees if professional, such as solicitor or accountant. While the fee proposed which equates to £48,000 per year is substantially less than the £73,800 per year charged by Amber Management, cost savings cannot be the deciding factor in the decision. Proper estate management will be the deciding factor. It should also be recorded for the purposes of the minutes that while VI has offered to perform the role of managing agent for £48,000 per annum, the market price for managing the estate is likely more substantial than that. VI is providing a concession in the interest of maintaining the confidence of the Board and EIVT Members in order to help ensure that the Board can remain in position to deliver the changes it proposes to bring order and proper management back to the village in accordance with the Objects of the Trust.

### Other considerations

Consideration will also need to be given to VI and IN being unable to vote or be present if a Board meeting is convened to decide on whether to appoint ICRI Ltd as the managing agent.

In order to be completely transparent and to be certain of working within regulatory and professional guidelines, VI will write to ACCA and Charities Commission to inform them of the proposal. Also VI will ask one of the Trust's solicitors, Gisby Harrison, to draft a contract based on Amber Management's contract. However, the contract will be biased towards EIVT as opposed to Amber Management's contract which was biased towards them and drafted by their own solicitors.

There was no other business and the meeting was closed at 22:00

**Signed:**



**Vladimir Ioannou**

**For and on behalf of Enfield Island Village Trust**