



Powderhall Village Owners Association

Minutes of Meeting held on Monday 23rd January 2012

Present: Gordon Chrumka, Ian MacMillan, James Marsden, Roddy Martine (Chair), Andrew Nisbet, Kathryn Tomlinson, John Riley.

Apologies for absence: William Mackie (Treasurer) and Frans Kooy.

1/ **Welcome to:** Sandra and Peter Stalker and David Ure

2/ **Approval of Previous Minutes**

3/ **Charles White Block Insurance.** Insurance Sub-Committee

Background

Following the November 2011 PVOA meeting, Ian McMillan and James Marsden formed the PVOA Insurance sub-committee. Over the course of 3 letters to Charles White, they addressed several concerns. However, to date 3 concerns remain unsatisfactorily answered.

Concerns

1. Excessive Commissions

- Charles White charge a 20% commission on all premiums received, with Deacon taking a further 15% (35% in total). Therefore, the average (by sum insured) Powderhall flat pays £95 of a total £270 annual premium just in commission.
- Charles White was asked to justify this rate, receiving a response that 4 brokers were consulted 3 years ago and that Deacon's 35% commission was the lowest.
- Charles White has been asked for evidence of these other tender proposals on 2 occasions, however Charles White claim to have no records or recollection other than the amounts being higher than 35%
- This lack of evidence of a full and fair tender is of great concern to us, particularly because one broker who Charles White claim to have included in

their tender offered to charge us 0% commission if we employed their brokerage services when contacted recently.

Excessive Buildings Sum-insured

Every flat at Powderhall is over-insured by 50%, to cover inflationary increases over a policy year. Charles White claims that this is a standard feature of our Zurich policy which does not affect the premium because Zurich insure by the non-overinflated ‘building declared value’

It is hard to believe that Zurich accepting up to 50% additional liability does not affect our premiums, but following a subsequent conversation with Deacon, Ian is satisfied that the 50% day one uplift is not affecting the premiums paid. Nevertheless, he has also since received confirmation from Deacon that they receive an additional £4k per annum in commission from Zurich.

This amounts to 5% additional commission, which although not taken directly from our premiums, is further income which Deacon earn from our policy.

In total, Charles White and Deacon charged us £27,192 (£31,073 including Deacon’s commission from Zurich) in commissions for our 2011/12 premiums. This appears to be a lot of commission, particularly given that Powderhall owners paid £78k for premiums in 2011/12.

Accounting Concerns

The total premiums requested from owners in 2011/12 was £88k.

The amount actually received by Charles White is £78k

There is a variance of £10k between these 2 figures, suggesting that Charles White is not receiving all/full premiums from owners

Charles White claims that it does not over-price the premiums because of the effects of non-payment. However, it is hard to believe that 11% of their 20% commission is just bad debt, particularly given that Charles White claims to incur considerable credit control and administrative costs with the blocks insurance.

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The Committee was generally surprised at these findings. Katherine, who works in financial services, and David, who has similar contacts, will make enquiries to discover if this practice is normal. They will report back to James and Iain.

Action: 23/01/12 Katherine and David

The PVOA Insurance sub-committee will be looking for a meeting with Charles White to discuss these matters as soon as such information becomes available. It is now

three years since the position of the Factor was reviewed, and depending upon the outcome of these talks it may well be that we will need to review the situation again. This matter will be raised for discussion at the AGM.

4/ Powderhall Road Adoption

Andrew and Roddy had another meeting with Councillor Gordon Mackenzie on 17th November 2011, and it was agreed that in the light of legal opinion having been received from not only Brodies on behalf of the PVOA, but similar opinion forthcoming from the Hopetoun Village Association, that the Council would approach a third neutral Solicitor for opinion. To date we have had no further response.

5/ Update on Actions from Previous Minutes

Refilling of Grit Bins

Two new grit/salt bins have been installed, one at the run up to Powderhall Rigg; the other at the St Mark's Park Bridge. Those, and the existing grit bins have been filled. A large supply of grit has been provided and is stored under canvas beside the Underground Car Park at the Rigg.

Fabric repair work coupled with Recent Storm Damages

Burns & Martin has been given go-ahead for minor concrete repair work required at Bin Stores. So far nothing has been undertaken.

23/01/12 Nicola to

Action

Most blocks were affected by the storm of 5th January with fallen tiles and flashing. Quotes for repairs have been received and Charles White is awaiting response from insurance company. **Ongoing: 23/01/12: Nicola to action.**

Cleaning of Guttering

Concern has been expressed regarding the urgent requirement to clean guttering, for the most part in the Brae.. Nicola has been contacted by various owners in this regard, but to date it seems that nothing has been authorised. This is becoming an

urgent priority.

23/01/12 Nicola to Action

Parking at Powderhall

Since Central Ticketing has gone into Receivership, Dougie Hunter, who previously ran CT in Edinburgh, has set up his own company and will shortly be taking over the parking control. Nicola has been instructed to issue new Parking Permits to all Owners (one Resident Permit per household; One Visitor Permit per Household; a second Resident Permit can be acquired on application to Nicola).

Ongoing: 23/01/12. Nicola to Actio

Trees at B&Q

Regarding the debacle over fallen branches and storm damage at B&Q last year, Nicola has received assurance in writing from B&Q that the condition of the trees on their land will be regularly monitored.

Light at the rear Car Park at 2-5 The Rigg.

This has been out of sequence for some time. Although Nicola has reported back that it has now been corrected, this does not seem to be the case and is causing irritation.

23/01/12 Nicola to

Action

Electricals at Bin Store, 2 The Rigg

The wiring in the electrical cupboard at 2, The Rigg is a complete mess – it would have been extremely shoddy as a piece of DIY let alone a piece of work done by 'professional' contractors. The cupboard door also appears to be permanently ajar. On the adjacent wall by the bin chute the wire arrangement is again very poorly finished and the insulation on one of the cables appears to be broken in one place.

The Committee would like this to be checked over – and even better, tidied up. Obviously any work would have to avoid compromising the foam rodent barrier around the wiring. We would also like to know what is the function of all this wiring?

23/01/12 Nicola to Action

Underground Car Park

It has been noticed that there has been a bike parked here for several months, plus a frame, possibly abandoned, and taking up valuable space. There is also a motorbike which does not appear to display a Resident Permit.

23/01/12 Nicola to

investigate

6/ Any Other Business

Water of Leith Flood Prevention Scheme

Work on the Powderhall stretch of the Water of Leith Flood Prevention Scheme started in May 2011. We were told that it would take in total 3 months. The wall was completed in September, but since then there has been no further progress. Ian to send a report on the matter to councillors Lang and Brock.

23/01/12 Ian to

Action

Non sealant of external pipes throughout Powderhall Village and positioning of Water Overflow Outlets.

This is a matter that has arisen before and has been brought to the Committee's attention again by David Ure who owns a property on Powderhall Road. It appears that in various parts of the development there are design faults in the positioning of exterior pipes which are causing serious concerns relating to dripping and potential fabric damage. While this might be considered to be a responsibility falling on individual owners, it is a shared threat.

David's property is a prime example, and the Committee would like Charles White to send a plumber to appraise the situation. David is happy to meet with the plumber to explain the problem. 23/01/12 Nicola to Action

Flower Bed at the Brae running along beside B&Q fence

Ian pointed out that this bed, towards the rear of the building, has become badly eroded and urgently needs attention.

23/01/12 Nicola to

Action

Management Fee cost increases for 2012

Nicola has intimated that Charles White has increased its Management Fees for 2012 as from 1st January:

	2011	2012
Townhouses	£54.00	£57.50

Flats

£86.50

£90.00

A Valuation of properties renewal is being scheduled for 2012. A fee of £10 + VAT per property will be charged. This information will be circulated to all owners.

The Committee is of the opinion that since there are financial issues with Charles White that need to be resolved, such charges should not be implemented until such time as these matters have been agreed.

7/ Date and location for AGM

The last PVOA AGM was held on 28th March 2011. Given the current issues that need to be resolved with Charles White, it was decided that the announcement of the date and location of this year's AGM will be deferred until after the next PVOA Committee meeting.

8/ Next Meeting: Thursday 1st March 2012 at 7:30pm at 4/6 Powderhall Rigg.