

NOTE OF MEETING WITH GREENBELT GROUP LIMITED 12 SEPTEMBER 2007

Present: Fergus Ewing, Minister for Community Safety
[redacted] Scottish Government
[redacted] Scottish Government
[redacted] Scottish Government
[redacted] Scottish Government
[redacted] SGLD
Alex Middleton, Managing Director, Greenbelt
Richard Taylor, Director, Greenbelt
Anne Shipton, Solicitor Greenbelt
Colin ?, PR Greenbelt

1. Mr Middleton acknowledged that the adverse publicity in relation to Greenbelt Group Limited's ("the Company") communications, the level of service and service charges had been a major wake up call. They had met with residents and were putting in place changes for the better. There would be a better quality of service, communications and a level of charge which would get the value for money point across. This would be rolling out over the next month throughout the UK, not just West Lothian.
2. Mr Middleton said the Company needed to recognise consumer choice. It was seeking to adapt its business model to introduce consumer choice. Professor Ken Reid had been asked to opine on the new business model, but would not be able to do so until October.
3. Mr Middleton said he wanted to widen the debate to include the house buying experience. He thought work could be done with the housebuilders and planners. The Company's main interest was in sustainable development.
4. The Minister asked for more information on the new business model. Ms Shipton explained that they were trying to adapt their business model to provide a structure whereby if the Company failed to perform and a majority of the owners agreed, the Company would hand over management of the open spaces to the owners. The Company was considering practical issues such as its planning obligations, complexity of what is on the open space, and insurance.
5. The Minister welcomed the new business model saying it removed the difference in factoring arrangements between Greenbelt estates and others. He said it would remove the need for legislation. The Minister said he would write and tell interested MSPs.
6. Ms Shipton said they would need to work through the business model, but suggested a 75% majority would be required. Mr Taylor added that 75% was the industry standard and that it was used on other housing estates. He said that 51% was not decisive enough.
7. Mr [redacted] explained that the Title Conditions (Scotland) Act 2003 provided that in the absence of provision in the title deeds, a simple majority was all that was required to dismiss a factor. Mr Taylor replied that they would take a further look at the Act and discuss with SG officials.

8. Colin sought to assure the Minister that the Company had taken the criticism to heart and that he had been given a free reign to look at the Company's working practices. The Company was willing to have an open dialogue.

9. Mr Middleton considered that there could be changes to the conveyancing process including housebuilders lengthening the time by when houses are ready for sale. He suggested that the 14 day period provided by the Habitation Certificate to get an owner in to a property should be extended.

10. Mr Middleton thought that more information could be provided to a homeowner when a property was handed over. The Company provided a homeowners pack and thought that developers could do the same. They were working with developers to build in forward maintenance plans demonstrating to the developer that this was of value to the developer. Mr Taylor said that there was an issue about the state of the development when it was handed over to the Company. Homebuyers needed more information about the reality of sites particularly in phased developments. The Company was working on a communications strategy so homeowners would know which areas were the responsibility of Greenbelt and which were still the responsibility of the developer.

11. The Minister raised concerns about landscaping not being completed. Mr Middleton said that he too was concerned and had recently fired one of the teams working in West Lothian and Renfrewshire. The Company was listening to residents who seemed content with the basic maintenance specification but there were requests from individual residents to deal with such things as littering, syringes and fly tipping. The Company was listening to residents and building strategies to deal with this kind of unquantifiable maintenance. It had good relations with some residents associations some of which it had helped set up. Issues changed for developments after three years when matters such as traffic calming became an issue.

12. The Company now had staff who monitored its contracts. It had also employed two quality managers. These were two external retired professionals. Mr [redacted] asked how the Company gauged customer satisfaction. Mr Middleton said that they were developing customer care strategies and there was much more direct contact with owners. Communications were less technical and in plain English. The Company had a Community Manager for new estates whose role it was to engage with a community from the outset. They helped set up a residents association and generally to build relationships. There was a full customer care team. Contractors had a new code of conduct. The Minister asked how many members there were of the customer care team and how many contractors. The reply was that there were 5 or 6 people in the customer care team and one contractor for all new developments.

13. The Minister asked if the Company conducted any direct surveys. Colin said that the Company was still looking at this but said that there would be much more customer testing. Mr Taylor said that they were on top of the contractors and that the quality control people reported direct to senior management. For existing developments the Company was in communication with residents associations and leafleting owners asking if there were issues. There were about 240 developments under its Greenspace arrangement with the vast majority happy with the maintenance arrangements. There was a rolling programme to meet people.

14. Mr [redacted] asked how the Company dealt with complaints. Mr Middleton replied that it was through communication and the customer care strategy. He said that one out of six complaints were nothing to do with Greenbelt. He advised that the Company was pulling back from trying to help the developer or planners with issues and that it was for them to take responsibility for these complaints, not Greenbelt. There was an on site code of conduct and strict rules that individuals must be identifiable as part of Greenbelt. There was also training for people who dealt with telephone enquiries.

15. Mr [redacted] asked if the Company took responsibility for complaints about it. Mr Middleton said that it did. The Minister asked if the Company was working to a higher quality standard. Mr Middleton said that it was. There was site etiquette and improvement in developments. There was an intention to stamp mark developments.

16. Mr Taylor said that the Company would be looking annually at maintenance specifications. In 2006 the lowest annual fee was £30 and the highest £580. In seven developments the fee was more than £300 and this was because of the complexity of the open spaces – woodland, pumping stations, electronic gates. The average cost was £101.42. Some fees reduced once the capital works finished.

17. The Minister asked if the Company told customers how they managed the estates. Colin said that they did at the front end when they have a buying agreement. Ms Shipton said that they invite owners to meet with them before they get their first bill. Colin confirmed this was on new sites. Mr Middleton advised that 180 SUDS schemes all passed the relevant tests, but they recognised that the owners needed to be informed why these sites were landscaped as they were. The same for heritage sites which had to be protected.

18. The Minister asked how the Company dealt with non payment. Mr Taylor said there was a high collection rate. Only 18-25 debtors had been pursued out of 20,000 owners. The Company took action against long term defaulters. It passed long term debt on to debt managers. The Company did not refer to people's credit in the letters. The Minister asked if the Company had been involved in any litigation. The reply was that it had not.

19. The Minister asked what the next step would be following agreement to the new business model. Mr Taylor said it would be rolled out to existing sites. He also mentioned that Greenbelt was not the only company which owned open spaces. Medfleet, Scottish Woodlands and Peverel were also in this business.

20. The Minister asked Mr Middleton to confirm that maintenance had reverted back to the owners on three estates already. He said it had. The Minister asked if the Company retained ownership of the open spaces given they no longer provided an income. Mr Middleton explained that the Company had contractual obligations to fulfil so retained ownership and the right for maintenance to revert back to Greenbelt if the owners failed to maintain the open spaces. Colin commented that the Company's improved customer service would mean that it would be only in extreme cases that he would expect owners to wish to take on the maintenance. Mr Middleton said that the Company did not dispose of land but rather maintained it. The Company had 750 developments throughout the UK and there was acreage value.

21. The Minister asked if Scottish Natural Heritage (SNH) had received value for money. Mr Middleton said that it did for the first 10 or 12 years. But following the explosion in

property development, Greenbelt sounded out local authorities offering a solution to open space management. By 1999, they had built up a number of clients and by 2003 the parties involved including SNH had different interests. In 2003, SNH was paid out and received market value for its share of the assets. Mr Middleton said that he signed the cheque himself.

22. The meeting concluded with Mr Middleton agreeing to write to the Minister confirming the proposals outlined at the meeting. Mr Middleton would also keep in touch with officials and discuss with them the proposed change in the business model once Prof Reid had offered a view.