

**CAMPDEN HILL COURT LTD
CAMPDEN HILL COURT TENANTS LTD**

**The role, responsibilities and profile of the Campden Hill Court board
and its individual board members**

Introduction

1. This document is an update of a review which was adopted as board policy in April 2015.

Background

2. There are two Campden Hill Court companies. The freehold is owned by Campden Hill Court Ltd. (and most owners have a share in the company); management matters are handled on behalf of Campden Hill Court Ltd. by Campden Hill Court Tenants Ltd. In accordance with the articles of association, directors are elected to both companies.
3. The building valuation in the current insurance cover (cost of rebuilding excluding land value) is £95.6m. Most of the individual flats are each worth several million pounds. The annual income to Campden Hill Court from service charges and contribution to reserves, licence fees and ground rent is around £1.4m. This means that the board has significant responsibilities in overseeing the capital value of the building, its revenue stream and the way in which that revenue is spent.

The role of the board

4. The overall objective of the board is to maintain and enhance the position of Campden Hill Court as one of the historic and premium mansion blocks in Kensington and, thereby, to protect the value of the investments made by the owners of the apartments. It works to ensure that the property is well-managed and well-maintained, that priority is given to good service and that there is appropriate stewardship of the service charge and other fees collected from owners. It has a particular responsibility as trustee of the building's special identity and character.
5. The corporate responsibilities of the board are not necessarily the same as the concerns of individual owners. The board acts on behalf of all owners – long-standing and recent owners, owner-occupiers and non-resident owners who may rent out their flats. Its members do not represent any particular groups of owners but act in the common interests of all.
6. The board is non-executive and its role is an oversight one. Day-to-day management is the function of the managing agent, which the board appoints, and the on-site staff.

7. The board:

- sets strategy and determines policy, ensuring appropriate action to deliver the objectives, and receiving reports about the implementation of its decisions
- develops long-term aims and reviews plans and programmes for achieving those aims, mainly through the annual budget and the planned maintenance programme
- sets performance measures for the managing agent and monitors progress in relation to the agreed aims and targets
- holds the management to account and makes sure that appropriate controls are in place
- ensures careful use of resources, and
- considers how current or proposed legal and governmental measures may affect the building and the Campden Hill Court community.

8. Examples of major projects which the board has commissioned and overseen in recent years are:

- an eight year programme to 2014 to repair and refurbish the exterior and interior of the building, costing around £5m
- a two-stage project to replace the boilers which provide communal heating and hot water, at a cost of over £1m, and
- the 2020 scheme to refurbish the interior of the building including fire improvement works and the installation of modern fibre optic cabling, with an overall budget of over £1m.

9. The board's regular responsibilities include:

- setting an annual budget
- determining the level of annual service charge
- placing the building insurance
- supervising the process whereby licences to alter are issued to flat owners who wish to undertake substantial alterations to their apartments in order to redesign or refurbish them, and
- overseeing the management and staff.

10. An informal house committee, which is not part of the formal governance structure at Campden Hill Court, acts as an interface between residents on the one hand and the board and managing agent on the other hand on matters arising from the day-to-day running of the block; these include such issues as concierge services, heating, rubbish, noise and security.

Individual board members

11. Members of the board are elected for three year terms at the annual meetings of the two Campden Hill Court companies. The qualifications for being a director are set out in the articles of association which were introduced in 2018; all directors give their time on a voluntary basis.

Time commitment

12. Board members should be able to attend regular board meetings. There are currently five a year usually in the evenings, as well as the annual general meetings which normally take place at the end of September or in early October. There may be additional meetings to deal with specific issues which arise in the course of the year.
13. A board member who is absent from board meetings for a continuous period of six months without the prior consent of the other directors can only continue if specific authorisation for further absence is given by the board. Outside board meetings, board members must be prepared to read, and comment on, regular communications about board matters. In addition, a board member may be asked to take the lead for the board in overseeing a particular area of work.

Individual responsibilities

14. As indicated above, board members do not represent any particular groups of owners but must seek to further the common interest of the owners of all the flats in the block; they carry out their role in accordance with the principles of collective responsibility. Board members are expected to:

- observe the highest standards of integrity, confidentiality and objectivity
- contribute skills, expertise and experience to the work of the board
- carry out board business in a careful and hard-working way
- show respect to other board members
- acknowledge the principles of individual and collective responsibility and act accordingly, consulting with colleagues on any proposals they might have and, whatever their own views, respecting and promoting the collective decisions of the board
- avoid conflicts of interest and make sure that they do not use their service on the board for personal benefit or to promote private interests
- handle their dealings with Campden Hill Court staff and the appointed managing agent in an honest and professional manner, and
- act in good faith as volunteer custodians in the interests of Campden Hill Court.

Knowledge, skills and experience

15. While each board member brings his or her own expertise and experience to board deliberations, the objective is to ensure that there is a balanced mix of skills among board members. Ideally, board members should have:

- current or recent professional, technical or management experience at a reasonably senior level, so that they can make a good contribution to board deliberations on issues relating to the property (current board members have legal, financial and management expertise; information about them can be found at the *Key people* page of the Campden Hill Court website)
- experience as non-executive directors or trustees and certainly a good understanding of modern best practice in corporate governance, in particular the concepts of collective responsibility and non-executive directorships
- a reasonable level of financial literacy
- appreciation of the issues involved in managing a historic property like Campden Hill Court, including the need to achieve a balance between keeping its structures and facilities up to date so as to provide residents with modern services, while at the same time protecting the integrity and appearance of the building, and
- a broad awareness of developments in the London property market and how these are likely to impact on Campden Hill Court.

Qualities and abilities

16. Board members should be able to demonstrate personal qualities and abilities which will be valuable to the board:

- personal and professional integrity of the highest standard
- good oral and written communication ability, which will enable them to contribute effectively to board deliberations and to support and challenge the management team
- the ability and willingness to participate in debate and discussion conducted by email and to read and comment on board papers online
- understanding of how to operate as a member of a team, and
- the ability to participate in a meaningful way in strategic decision-making and in the monitoring of performance and progress.

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