

## OXTED & DISTRICT BRANCH ROYAL BRITISH LEGION, SPECIAL GENERAL MEETING ON SUNDAY 14 SEPTEMBER 2025 – BRANCH CHAIRMAN'S ADDRESS

We are the Managing Trustees and we are having this meeting today to explain to you all what this means and how it came about. I have heard, from several members, a number of falsehoods and incorrect facts, even one complete fantasy, that indicates to me that rumours are being spread that do not reflect the true situation. You will hear about the legal responsibilities of all involved – facts. You will get the reasons why we commissioned the surveys and inspections that have been conducted on the property – more facts – and, more importantly, the full impact of them, including whose responsibility they all are – facts again. You will hear about the full material state of the property – facts – and the implications for its future – there will be some unknowns here. Some of you may well have heard one side of this story – today you will hear the other.

What I will say up front, is that when I was voted in as Chairman in November 2023, I had no idea about much of what I am going to tell you. I'd spent a year on the Committee before that and none of this was discussed during our meetings. It has all been a complete revelation.

We have had to interact with the Club in a way that the Branch has never had to previously. We acknowledge that this has not been an easy or comfortable time for the Club – and we thank them for their perseverance.

The impact on our ability this year to service our charitable work should not be underestimated. The discussions that we have had to fulfil our role have dominated our monthly committee meetings, forcing us to have separate and dedicated meetings to cover it. I am grateful for the support that all of my fellow Managing Trustees have given me, but the workload that I personally have faced has been considerable. As you would expect of your Branch Committee, we have held the name and reputation of the RBL foremost in our minds. At times we have made some difficult decisions – and have generally been unanimous in our decision making. We stand by our actions.

Our work as Managing Trustees has not been without impact. Although we appropriately marked VE80, VJ80 and Battle of Britain 85, and are on track to deliver Remembrance and the Poppy Appeal this autumn; there is so much more that we should have done.

To the Veterans of the Branch, I'd like to make an apology. We have a 'Veterans' Hub' that we are yet to get fully going and there is much more that we should be doing with you. And we are not moving fast enough to get into the Veterans community in Tandridge – all 2,500 of them. I'd love them to all be members – even 10% of them would be fabulous.

So, first up on the agenda, a bit of history and scene-setting.

This Branch was formed in 1921. In its early years, it operated out of a hut in Master Park – the history is on our website. In 1926 a local landowner, Charles Hoskins Masters, donated some money, as did other local businesses, and constructed this Club House – expressly for the use of this Branch. On 22 January 1927, the land and the building were given to the Branch by a Declaration of Trust "*to and for the use and benefit of the Oxted & District Branch*". This made the Branch, and specifically its 'Committee of Management', the Trustees for the land and the Club House. It also means that the Trust is a non-incorporated charity in its own right.

In 1974, there was a legal transfer of Trustees from the original Branch Committee members listed in the 1927 Declaration into the RBL's corporate ownership (ie Head Office). So, Head Office became what is known as the Holding Trustees and they hold the legal title of the land and is therefore the legal 'owner'. The Branch Committee became what is now known as the Managing Trustees and are the managers of the property.

The Trust consists of two parts – the property (with the land that it sits on) and a fund. Together, these are known today as 'the Branch Property Trust'. The fund is where the Club's rent payments are paid into, therefore it grows year on year. But it has some very restrictive criteria on what it can be spent on; such as reasonable branch administration costs, ceremonial events, welfare activity, direct property costs where a tenant is not responsible for paying these and other trustee expenses. Categorically, this fund cannot be used to bail out a Club that is failing financially.

We have drawn down on the fund three times in the last three years – to cover some administration costs; to provide the funds to refurbish the old TV room from a run-down store room into the Veterans' Hub (which is an asset that can also be used by both the Club and the Women's Section Branch); and to pay for our legal fees and surveys.

From 1927 until 1972 the Branch managed and operated the building. In 1972 a Mutual Society was formed called the Royal British Legion Oxted & District Club Limited – known to you all as simply 'the Club'. Since then, 'the Club', run by its Management Committee has had a lease on the property. The Club could be described as a 'company' with its 'board of directors'. The Club's lease is what is known as a 'full repairing lease', placing legally-binding contractual responsibility for repair & maintenance, statutory & regulatory compliance and meeting the requirements of the Buildings Insurance policy on the Club – both the company and the directors.

From 1972 until 2018, the RBL's Head Office team executed many of the 'managing trustee' responsibilities – formulating the Club's lease renewals, reviewing the rent that the Club pays for its lease, providing property management, legal and financial support. In April 2018, Head Office wrote to the Branch. The Branch was given a choice – to remain as Managing Trustees or to transfer Managing Trustee status to Head Office. However, it was stated that should the Branch choose to remain as Managing Trustees, it would lose the use of Head Office staff support for property, financial and legal matters. The Branch was told that if it remained as Managing Trustees, it should refer to the Charities Commission guidance to understand their legal responsibilities, to seek legal advice and to get a building survey done. The Branch Committee in 2018 decided to transfer Managing Trustee status to Head Office and in August of 2018, a 'Resolution' document was sent to the Branch for signature. But for whatever reason, that Resolution was either not signed or not returned to Head Office. So, from 2018 until last year, the Branch Committee was blissfully unaware that they were still the Managing Trustees of the property.

This came to light in the second half of last year, when a property developer emailed me to make a serious offer to purchase the property (they also wanted to buy the council land next door and the two adjacent houses) in order to build a new retirement home. They were quite specific in asking for the 'local management trustees' so I made some enquiries with Head Office. It was eventually confirmed that the Branch were still the Managing Trustees, with the decision-making responsibility on the sale of the property. We can sell this property at any time we chose.

Once the Branch Committee became fully aware of its role as Managing Trustees, at a Branch Committee Extraordinary Meeting in September last year, we voted unanimously, with one abstention, NOT to sell the property. Hopefully this will squash one fantastical rumour that I have heard – that I have been parachuted in by Head Office to sell the property. The

Managing Trustees have voted on whether to sell the property three times and each time the answer is the same – NO, we do NOT want to sell because we want the property to remain as a base for us to carry out the charitable work of the RBL.

When Head Office was asked what it meant for us to be Managing Trustees, all we got was the 2018 letter, a somewhat pithy information sheet and some direction – to ‘get some legal advice and have a building survey done’ and that in accordance with the Charities Commission guidance, we are all personally responsible for our management of the Trust.

Secondly, then, what have we done to meet our responsibilities – legal advice and survey.

It took a while to start obtaining the legal advice that we needed. My first session with our solicitors was in mid-November last year and I have had many, many discussions since. The advice that we received was that we are responsible for overseeing the operation of the lease, that we would take the lead on the Club’s lease renewal (due in December 2027), that we should have conducted the Club’s rent review in November 2023 and that we are responsible for generally ensuring that we manage the property as any ‘effective owners’ should. It was reiterated to us that we should have a full building survey done to understand the material state of the property and its compliance with statutory regulations.

To date, we have spent £2,389 on legal fees.

So, we commissioned a full building survey, accompanied by a costed Schedule of Dilapidations, which was conducted in March of this year. We handed the reports to the Club on 17 April this year, immediately upon receiving the final versions. A Schedule of Dilapidations: ‘records the works required to be done to the property in order that the property is put into the physical state in which it would have been if the tenant (in this case the Club) had complied with their covenants or obligations contained within their lease of the property (for the Club the current lease was dated 31 October 2017, beginning on 1 January 2018)’.

The Schedule of Dilapidations has been described by an experienced conveyancing solicitor as ‘one of the worst’ that he has seen. The Club’s lease makes provision that it is liable for the cost of preparing any Schedule of Dilapidations, in this case £1,995, but we told the Club that we would waive the right for this to be reimbursed to us.

The survey recommended a number of specialist inspections, so we commissioned an Asbestos Inspection, a Fire Risk Assessment, and full Electrical Inspection Condition Reports (or EICR) for both the ground floor and the residential flat upstairs (that the Club sub-lets). On reading the survey and the extent of the fire safety issues that it portrayed, my Branch Secretary, who is a full-time fireman, was professionally duty bound to report the property to Surrey Fire & Rescue Services.

On inspecting the relevant documents, it transpired that the Club’s previous Fire Risk Assessments and EICRs were too old for the Club to have maintained statutory compliance.

The Asbestos Inspection was clear. The Fire Risk Assessment was 73% non-compliant – only 27 out of 37 checks were compliant. Surrey Fire & Rescue Services inspected the property and identified two significant safety aspects in the residential flat upstairs. Both EICRs were UNSATISFACTORY (and this is from a simple choice of either satisfactory or unsatisfactory). All of this combined made the building unsafe in some areas.

To summarise where repairs are needed, they cover: the electrical installation; fire safety; the roof (which will most likely require a large scaffolding cost as well); the building’s structural

timbers; replacing or repairing many of the doors and windows; decoration, both internally and externally; and a myriad of other repairs and maintenance.

The total cost to rectify all of the dilapidations was estimated by the surveyor at £200,000.

Legally endorsed responsibility for rectifying all of these dilapidations falls to the Club, under the terms of its full-repairing lease. When the Club posted on Facebook that it was closing for two weeks to get some work done, it listed “electrical work, building work including the roof and improvements to the fire alarm system”. To be clear, and to squash another rumour, all of this work is absolutely mandatory – it has to be done.

To date we have spent £8,424 on surveys and specialist inspections.

We hope that you would all agree that what we have done has been the RIGHT THING. We hope that you would not have preferred to have another Chairman and a different group of Managing Trustees who would rather have ignored their legal responsibilities, who might just have swept all of this under the carpet and let the status quo carry on; who might have just waited for a serious, maybe fatal, accident to happen.

Moving to the current situation – what are the implications of this and where are we now?

The Club is working through the repairs. They rectified two immediate dilapidations, one personal safety and the other health & safety related relatively soon after the building survey was carried out. They have made the car park railings safe for children. They have actioned some, but not all, of the fire safety recommendations. And they recently closed for two weeks to replace the electrical distribution system for the ground floor; with the electrical work in the residential flat upstairs starting on Monday. But there is still an awful lot to do.

When we first asked the Club how they would expect to pay for all of this work, their response was “*out of your secret property fund*”. In other words, they just expected the Branch to use charitable money to bail them out. But you will recall the very restrictive uses that apply to how we can spend this money that I mentioned earlier, and that the fund categorically cannot be used to bail out a Club that is failing financially.

I am not breaching any confidence here, as the Club’s accounts are all publicly available on the FCA Mutuals website. But a few facts to bear in mind:

- only just returned to a modest operating profit after COVID;
- carried a deficit since 2010, increasing from £6,106 in 2021 to £24,843 in 2024;
- has non-trade creditors of c.£32k (ie they owe someone £32k);
- and have negative net current assets – minus £9,716 in 2024.

The repairs and electrical work that the Club has paid for to date will, I am certain, have wiped out their cash at hand position from their 2024 accounts in September last year. Whether the Club looks to bank loans or crowd funding, or even a super-rich benefactor, to fund the rest of this repair work is up to them – that is Club business. But there are legitimate questions to be asked on where the money will come from to effect the repairs.

The Club’s lease states that the RBL will provide the building’s insurance cover, through their block, pan-estate policy. The implications of these dilapidations on this policy are severe, to the point where the insurer has imposed severe restrictions on what is covered – lightning, aircraft, explosion and fire (arson) only – and have increased the policy excess to £100,000. The Club’s lease places all of this increased risk onto the Club itself, including covering this higher policy excess. There may well be further implications on the Club’s Employer’s Public Liability Insurance, but I am not privy to those discussions.

When we found out the results of the electrical reports, which coincided with being told the implications on the buildings insurance, we asked the Club to immediately close – temporarily until all of these urgent safety aspects were rectified, particularly the electrics and fire safety. Our intent was to minimise risk to those people using the building; staff, members and general public groups. We also wanted to preserve the property from further degradation. Preserving the reputation of the RBL was also at the forefront of our minds. The Club refused to close at that point, which to us showed a flagrant disregard for the safety of those who work here or use the Club House and for the preservation of the property itself.

We consider the Club's management of the building, and the dangerous state that it was now in, to be incompetent at best and criminally negligent at worst. So, at that point, we asked the Club to surrender their lease. They refused.

Finally, what's happening now and what's to come in the future.

Before I get into this, you should be aware of the RBL's new 10-year Strategy; which has three distinct outcomes - CONNECT, SUPPORT, REMEMBER. As a part of this strategy work, the RBL's property portfolio has been identified as a key element in making this happen. Although this emerging 'Property Strategy' has not been published yet, I am led to believe that Head Office will want to see their Clubs contribute – Clubs should be used to connect as widely as possible within the community; Clubs should support the Branch to deliver the RBL's charitable aims, whilst contributing to those aims themselves; and Clubs should be a focal point for Remembrance activities. But, I would say that the most important entity is THIS BRANCH. Without THIS BRANCH being successful, there is no point in having a Club – Club House or Social Club. This Branch will be successful and this Club must support us and the RBL itself – that is what we are all here for.

On 29 July, some Managing Trustees came with me to a meeting in Head Office with the Chief Financial Officer, the Executive Director for Membership and some others in the Property Trust and Property Management areas. We explained the state of the property and how we perceived the Club's actions – both in relation to the dilapidations and more generally in support of the charity and the Branch. Three things happened as a result.

Firstly, Head Office asked us – for the first time – to re-consider our position as Managing Trustees. They asked why we would want to continue dealing with all of this when they, Head Office, has a team of full-time professionals working on it. After discussing it amongst ourselves, we have decided to hand Managing Trustee status over to Head Office. This has not happened yet and will take some time for Head Office to engage their solicitors and prepare the relevant legal paperwork. This means that, going forward, the Club will not have to deal with us over the management of their lease, they will deal with Head Office instead.

Secondly, we presented to Head Office, as the legal owner, the full material state of the building and that, in total, the Club is in breach of some 20 clauses of its lease. We discussed the option of taking what is known as Section 146 Notice action against the Club and Head Office agreed to proceed with this. Note: To explain in simple terms; a Section 146 Notice is a legal warning from a landlord to a tenant under the Law of Property Act 1925, informing the tenant that they have breached a lease and that the landlord may take steps to forfeit, or end, the lease. The notice details the specific breaches and, if these breaches can be remedied, it demands that the tenant remedy them within a reasonable timeframe and pay compensation for the breaches.

The Section 146 Notice will place a legally binding responsibility on the Club to rectify all of those breaches in a set timeline. Head Office has now instructed its solicitors to raise a

Section 146 Notice and serve it on the Club. It will legally make the Club financially liable for remedying the breaches and rectifying all of the dilapidations in the full building survey. This is now irreversible and the Section 146 Notice process will run its legal course.

Before I get to the third point, let me give you a bit more background. For a RBL Club to exist, there are a few hoops to go through. Firstly, as previously mentioned, a Club needs to form and register itself as a Mutual Society. Secondly, it needs a RBL Licence to operate, which imposes several criteria that it has to meet – failure to adhere to these criteria would place the renewal of its annual RBL Licence in jeopardy. Thirdly, the Club must operate in accordance with the RBL's rules – known as Club Rules. Finally, it needs a building to operate out of.

So, the third outcome of our meeting in Head Office was where we highlighted documentable occasions where the Club is in breach of its RBL Licence and the RBL Club Rules. The senior Head Office executives were so taken by what we said that they discussed with us the option of us raising a Membership Council complaint against the Club. As a consequence, we submitted a complaint to Head Office in the middle of August, which has now been seen by the Membership Council.

In due course, the Club will get to see this Membership Council complaint and will have a right-of-reply. Head Office are likely to impose formal mediation between the two of us – Branch and Club Committees – led by a nominated member of the Membership Council. We welcome the opportunity to sit down with the Club, with the Membership Council, and discuss where and how we all should be working together for the greater good of the RBL.

On a similar vein, I am aware that just after our meeting in Head Office on 29 July, the Club was asked to provide in writing evidence of how and where it supports the Charity. In due course, we will have sight of this and will have a right-of-reply.

We accept that all of this makes the future for the Club a little unsettling. Whatever happens to the Club, whether it remedies all the breaches of its lease to satisfy the Section 146 Notice or whether the Membership Council revokes its RBL Licence; I can say one thing. This Branch will survive, and this Branch will continue to deliver the charitable aims of the RBL in Oxted.

Thank you for listening and for all of your questions. I know that it has been a lot to take in and I am happy to take any more questions that come to mind in the future. Please email me directly at [Oxted.Chairman@rbl.community](mailto:Oxted.Chairman@rbl.community).

We stand by our actions in all of this. We have maintained our integrity, always being minded to do what is legally required of us. Our paramount aim has been the safety of those who use the building in which we sit today; whilst also preserving the material state of the property and not to damage the RBL's reputation. We hope that, after hearing this side of the story – the facts – that you agree that we have acted as you and the RBL would expect us to.

But, as we have come along this journey, we have concluded that the Club has, in military language, 'disobeyed orders'. The Club has not entirely complied with all three of its sets of orders – its lease, its RBL Licence and the RBL Club Rules.

As I said in November 2023, when I was elected as Chairman. I wish this Branch to reinvigorate the support that the RBL in Oxted provides to serving members of the Armed Forces, Veterans and their families. The Branch Committee stands by them all.

Thank you

Rob Cogan, Chairman Oxted & District Branch