

Chelsea Bridge Wharf Resident's Association (CBWRA) Minutes – April 2021

Attendees:-

Chairperson: Stephen Thompson (ST)
Treasurer: Charlie Garton-Jones (CGJ)
Company Secretary: Catherine Thomé (CT)

Alexander Minakov	(AM)
Hasher Marouf	(HM)
Jean Dornhofer	(JD)
Mike O'Driscoll	(MOD)
Natalia Nyudyurbegova	(NN)
Patrick Savage	(PS)
Susan de Laszlo	(SDL)
Toby Spoerer	(TS)

NN: You know high level people live here and pay this kind of service charge, I think they can buy elsewhere, because the development just looks really bad for what we pay.

PS: Yeah I think the thing is that we've got to remember that, I remember when I signed, it was back in 2003 off plan, I think I moved in 2004, but I actually never moved, I took possession in 2004. In all of the intervening years from Artemis to where we are today, nobody has ever really challenged these people and I think that's the greatest sadness of this. I know there was one, because I went back through some old stuff in my office and I saw various you know, about Charlie Garton-Jones doing the Residents Association, but at that time, you know a) well it's ten years ago, maybe longer, the blocks were newer, the people were newer and everybody said, oh we don't need one, because you know everything is under control. But here we are now, ten years later, it's ten years older and I'm not saying everything is out of control, but certainly Rendall & Rittner are out of control.

NN: I hate them so much, like whenever I have to talk about them, I just like, it becomes ...

PS: I know, I know I can see it, but you shouldn't, I shouldn't say to you, you shouldn't let it infuriate you, but it infuriates me, but the thing about it is, one of the things we have to be careful of, I think it helps everybody as well, is to try and avoid it being personal, because ...

NN: Exactly yeah.

PS: Because it is personal, because you're sitting, I mean I've got the privilege of not living there, not a privilege, but you know I don't see every day what you see, but when I went up the other week and I saw the state of the fountains and everything, I thought my God, this is not nice, you know and even with things, with people leaving rubbish and then the way they, you know there's lots of things that are communal things and there's lots of things which these people are responsible for, which they

don't seem to be looking after, which will come up in the meeting in the next hour, hopefully. So I'm sure that, I'm positive that the people on board, you know yourself and Toby and Stephen especially, there's a lot of, Mike, there's a lot of strong people and strong characters and I think it will be positive. I'm very positive about where we're going to get to on this, but it will take time, you know it's not going to happen overnight. Morning!

TS: Morning Pat, how are you?

PS: Okay Toby and yourself?

TS: Yeah, very well thank you.

PS: You're early, the anxious people of Chelsea! Oh there's the boss.

ST: Morning guys.

NN: Morning.

ST: How are you doing, are you all excited?

NN: Yeah, very.

(Laughing.)

ST: I can see it on your faces.

PS: Apprehensive.

ST: Yes well, I mean I did send out an email, I know we haven't got everybody on the call yet, but I'm recording this via the zoom inbuilt functionality, not because I plan on blackmailing anybody, but because it's going to make the life of whoever it is that we get to transcribe the minutes, which I think are pretty key, you know I think in order to be transparent and post once a month, the minutes to everybody on the app, so that they can see that we are doing something and more importantly what it is that we're doing. So hopefully that won't be controversial. But I'll shut up until hopefully we get all the calls, and everybody else manages to join the call. How are we all?

NN: Yeah, good, good, excited. I'm really glad that this is moving and we have some good news and finally, just moving off, like this iceberg is finally on a floating position and we can just get it.

ST: Well hopefully we are not on the Titanic!

(Laughing.)

NN: Yeah, I doubt, I doubt. With you the head of us, I think we can really get some positive results.

ST: I'm hoping so. I mean I think I just caught a little bit of what you were talking about, as Pat says, really we need to be not entirely focused on the bad, to the extent that we've had quite a good few weeks, relatively. I mean mindful of the fact that none of us knew each other seven or eight weeks ago and the RA didn't actually even exist. I think in terms of the cages that we've shaken and the result that we've got already in the space of eight weeks, I think is a cause for, I won't say celebration, because it ain't over, until it's over, and I suspect this will never be entirely over, to the extent that it's a job that begins afresh every day. But overall, I think everybody here and everybody that is going to be joining the call can be quite proud, that, I mean I don't want to make you feel uncomfortable and blush you guys, but I think the app particularly, in terms of showing what we as a collection of individuals with certain skills can do very, very quickly, is actually quite sort of mind blowing and hopefully a very good sign for the residents as a whole. So I'll stop talking, just to give everybody a chance to dial in. I'll make sure this time, I learn how to scroll on zoom, so I can see who is on the call.

CGT: Hello everybody.

ST: Hey Charlie, how are you doing?

CGT: Very good, thanks.

SDL: Hello.

ST: Hello, good morning.

NN: It's nice to see new faces and more people actually joining us. It's really great, because at one point there was just me and Toby and we were like, what are we going to do, we never heard about Stephen, I hope he's going to be a really right guy and then, I'm so glad you were elected and there are so many more people that can actually make a difference.

ST: I think there's a death, Tony Blair said that the irony with any sort of elected position, is that you are your most popular and most useless at the beginning and most capable and most unpopular at the end, so um, let's hope that doesn't resonate with us! So I'm going to kick off, I think we've got everybody on the call now, with regards to all those that said that they were going to be able to attend and I just want to reassure everybody first of all that we're going to have a hard stop at 1 O'clock. The idea with anybody that's involved with this, isn't that it becomes the bane of their life, but it just becomes a vehicle to make their lives better. So there is no suggestion that this is going to be some talking shop that will be filling the air with carbon monoxide, just for the sake of it. Has everybody got the agenda?

MOD: Yep.

ST: Good stuff. As I say, I'll work on the assumption that if anybody hasn't, shout out and then we can avoid the affirmative confirmations.

TS: I haven't, was that in last email or?

ST: Don't worry Toby, I'll forward to it to you again now.

NN: And copy me in as well, just in case.

CT: Or you could share your screen, if you've got it on screen.

ST: I could do, but I haven't got it on screen! I have to confess, I'm not a big zoom person, because we don't use it where I work, they are a bit sniffy about it for some reason. But you should have that in your inbox now, Toby and Natalia. So that will give us the road map for where we're going.

So roles and responsibilities, hopefully that was sort of clear. I have circulated an email on where I think we're going with it. The key thing having exchanged a bit of an email chat this morning with Catherine, is that I would like that the Company Secretary role doesn't effectively involve having to physically take the minutes themselves. So I would suggest for the sake of forty quid a month, or if anybody on this call, either has access to somebody who is a dab hand with the keyboard, or is particularly keen on typing themselves, whether or not anybody has got any suggestion for um a copy typist, to deal with the minutes.

MOD: I know a lot of transcribers, because I have to get interviews transcribed quite often, so I've certainly got people who could do it quite cheaply.

ST: Great, okay, if you are happy to do that Mike, because I don't want our Company Secretary to have to spend an hour of their life becoming a glorified admin, which is not what the office is all about. So really I think the idea that was meant to be conveyed via the email was that we're not some sort of rigid hierarchy here, we are just a group of interested people who are all going to have an equal say. We may not have representation from every building yet, I'm hoping that as people start to realise that we are effective and we have got some sort of a plan that the two buildings that we haven't heard anything from, will perhaps sort of suggest a representative that can work with us. But the idea is to be, and it's a bit of an experiment in the sense that traditionally a committee is just the Treasurer, the Secretary, the Chair and three members in its rawest state. The idea is obviously that makes things slicker, but hopefully the fact that there's more of us isn't going to turn us into a paralysed democratic entity that can take lots of votes, but not achieve anything. So the idea is we are all going to be now, by virtue of the fact that we've stepped up, entitled to an equal say and a vote with regards to what is decided to be all the significant issues that the management company has to face. In terms of roles and responsibilities, does that raise any questions from anybody on the call?

MOD: I sent an email after that, which you may not have seen, but I was just offering my services on the research front, basically.

ST: Yeah that's, as I said Mike, I mean it's a collection of highly skilled individuals, where anything really that somebody has got a particular talent at, will be embraced wholeheartedly and dare I say it, I think your eye for detail and your focus on perhaps the historical stories and webs that the management company have woven, is particularly valuable in cutting through some of the, I won't say crap, but certainly

opaque material that is thrown in our direction, when we're trying to establish, what's going on.

MOD: No thanks, I appreciate that. But I mean I'm much more interested in just you know being you know in consultation with the residents basically now and you know finding out what they think and using that to, you know not that we have to, it's not like a referendum every time we consult them, but we should just at least be getting some sort of take on what they think on the important issues.

ST: Agreed. Yeah I would hate for anybody to think that we were some autocratic body that had no connection with the people that it purports to represent. So I think that's certainly something that we are all on the same page of.
I just wanted to kick off with Item 2, which is some good news to ...

JD: Sorry Stephen, just a really quick question.

ST: Sure.

JD: Does this Body have any budget?

ST: Yes it does.

JD: Okay.

ST: I'll defer to Charlie as to how that works and he's going to give us a little bit of a summary of that in the context of this, call, but yes it does.

JD: Okay, thank you.

ST: And one thing to I suppose, can I add, to clarify where that comes from, it is a subscription that everybody pretty much pays. We are working out who isn't paying, not because we are going to harangue them, but because they may not know they're not paying. But that's going to happen I think in June when we are able to refresh the list of members via an outreach that we're going to have to do in relation to the new accounts. The problem at the moment is we've got a list of members, it's somewhere on the Rendall & Rittner system, but it wasn't designed to record the members. So actually getting it is slightly onerous at the moment. But the short answer is yes we do.

Item 2 ...

TS: Sorry Stephen, just on that point as well, just so everybody knows, is that Chris from Garton-Jones is signing up all new tenants into the RA and collecting the £10.00 annual fee as well. So not only the owners are paying now, but we are collecting membership fees from tenants as well.

ST: Cheers Toby.

Item 2 – some good news and this one, to sort of set the scene, for the last few weeks, we've been in communications with Richard Daver, who is the MD of Rendall &

Rittner, um and a little bit I suppose subjective comment, I think he's been relatively amenable and open to developing a collegiate relationship with the RA. I'm conscious that the analogy I use is perhaps we are something, going to be the party on one side of the Commons and them on the other. But the idea is that we sort of take the approach of civilised adversaries, rather than warring factions. And up until now, notwithstanding my frustrations perhaps with Rendall & Rittner like everybody else, I can personally say Richard Daver has played a straight bat and been you know very responsive within the parameters of what he is able to do. But what all this is leading up to is that we've been discussing with Berkeley who should pay for the waking watch, or walking control, or sleeping creep, whatever it's been called over the last 12 months/two years and it seems that Berkeley I think have come to a right decision that arguably there was never any real doubt legally that they could have perhaps foisted the whole development with the costs of that. But they have agreed and this has been confirmed by Richard in writing, to refund £450,000 to the residents of the development. Now my first reaction to that was well does that mean that's now sort of earmarked for high level, big ticket projects and the answer was no, that's not how it works, it actually will have to go back to the residents. So I think I chatted to Charlie about this and again, don't hold me to any of this and to be honest, let's not start you know dancing in the streets, until people have received their money, but I understand it works out about 300 quid per property. Charlie was that about roughly right was it?

MOD: There's about 1100 properties isn't there so ...

CGJ: So I think about £370.00 per flat.

ST: So something along those lines. So that hopefully is something to focus on in terms of a relatively robust piece of good news. Does that raise any questions from the people on the call?

MOD: I think it's a fantastic result and well done.

ST: I have to confess Mike I wouldn't want to take too much credit, in the sense I think the highlighting of it was, was just how can Berkeley really justify not paying it, rather than having to get down and dirty with the advocacy.

MOD: Yeah well I think we've all put like pressure on them over a long period of time, but you know you've obviously brought it to a head.

ST: That is exactly where I was going, I think this has been a collective effort from a number of people that have shaken the cage, to the extent that I think Berkeley on balance were probably advised, look, it's not going to get you to a good place to be difficult and it's probably going to cause you more problems than it solves, so yeah do the right thing and save yourself some time and aggro. So I'm just going to apologise briefly, you've probably noticed I'm galloping through this, because I do want you all to get away for 1 O'clock. So if anything comes to mind as we sort of skip through, shout out and pull us back, so we don't end up getting off the call without any questions or concerns being addressed.

CT: A quick question.

ST: Yeah sure.

CT: Is there a timeline on this refund at all?

ST: Good question, I don't know the answer to that, I will find out. It's the next obvious question isn't it after how much. I only got bogged down with the 'how much' question so we'll get onto timelines.

CT: A good result, but residents will want to know ...

ST: That will be my first call on Monday morning.

Item 3 – Maintenance. Just to let you know that and again it's an open invitation for anybody that wants to get involved, or has experience, or contacts with regards to any of the projects, the development is getting involved with, but particularly the big ticket items. But Pat, I don't know if, you've probably not met any of us before on this call, but Pat has got a lot of experience with regards to properties and property management generally and he's been working with myself and dare I say it, Rendall & Rittner, to come up with some, hopefully useful proposals with regards to the ponds, which are a big budget item and also the aesthetics of the fountains. I mean Pat, have you got anything that you wanted to summaries in terms of what we've been looking at, over the last few weeks, that you'd like to share, or shall I just crack on?

PS: Yeah, no I can very briefly just share on what my experience is to date and it's like you said, we're all very, well I'm quite ... at Chelsea Bridge Wharf and the maintenance and Rendall & Rittner. It's only a name to me that I've paid lots of money to for many years, without knowing what was going on with this money. But talking to Jennifer and then Toby knows the conversation I've had, I've had an incident where she denied that she said something, but that started a way. But the reality is, the bottom line is that they've got a lot of maintenance articles, which they call within budget and if they're within budget, then we have no say to go and say look I think that's too expensive, I'm going to go off and get a quote. Now this happened on the issue of the carpets didn't it Natalia, when they were talking about, when we were discussing the carpets and she said well it's within budget, so really you can't interfere. Now she denied that she said that we couldn't interfere, so it's stuff that's not in the budget. So when we get outside the budget, like as Stephen just said the ponds, and the reason I'm mentioning the first part is because the carpets, there were two quotes and they actually took the cheaper quote and to me if you look at the quotations, which I think I've shown you Toby, there weren't really any comparison in these two companies. But they took the cheaper one, whether the work is the same or not, I don't know and then on top of that it's overrun by a replacement programme, so why they're cleaning and replacing. So on maintenance that's one little part. I'm only putting that in there, because in the issue of the ponds, they've done a similar thing, two quotes, one which is really not relevant, because what they were proposing, she gives us this great quote about a company called Triflex, which is coming to, because they don't say that, so you save that and then there's a 10% charge, which I don't understand, because they are using the consultants to go out and do this work. So they're, I don't know if the 10% includes consultant fees or not. So it's plus, plus, plus. Well I can tell you I called Triflex on Friday and I'm waiting for the gentleman to call me back, because they actually, all you have to do is ring up

Triflex, it's a fantastic product to line a pond with I would think, or the ponds, but it is only guaranteed only for 10 years. Now something that's going to cost 2 million quid and is only going to last 10 years that's not good value for money for me, or for anybody else for that matter and he said that it does last 15 or 20, but let's get to that later. But the point I'm making here is that we have at this moment in time, we've got two quotes, which one to be honest I would regard as irrelevant. Now if you're coming along to 1200 flats, proposing to spend 2 million quid, with one quote that's really relevant and nothing else, while there are other, I've checked out three other products at the moment and that's what I'm doing and this week and then the coming week I will have words with Jennifer, to send her off on her merry way to go and do what, you know this is what we call in the UK, having a dog and barking yourself. We are paying her to do a job that she's not doing and what she's doing, she's not doing it very well. So on the big ticket issues, this is a massive one and we can't afford to just take and I said to Stephen make sure she doesn't sign anything with anybody, because this is a trick that managing agents do. They'll say well you didn't come back to us and we signed it off – what you signed 2 million off? So we don't want that to happen, but we want to research this big time. I did make a nasty proposal to Stephen this morning, it was quite early, I said what about getting rid of the ponds, you know you could get a massive, a fantastic architect in to replace ponds with something nicer. But that's a decision for all of you guys.

CGJ: There is a very long history about the ponds.

PS: You are right, Charlie, yeah.

CGJ: Yeah, Berkeley's are dead set against it, because they say you know their brochures show ponds, everyone has bought flats on the basis of ponds and that's the whole point of the development, is ponds and that yeah. Realistically until you, the only way you could really replace, you would have to own the freehold, yeah Berkeley's would never ...

PS: That's for another time.

CGJ: Yeah but with the ponds themselves, I think there is a cynical plan, where you could just go for the cheapest product available and go to Berkeley's, because really the biggest problem with the ponds leaking, is the carpark. But that is kind of, almost not our problem, that's Berkeley Homes Freehold. So there is an opportunity to go for the cheapest product out there and get a bargain. It may leak into your carpark, but you know we don't mind risking that, it's not our carpark. So if you want to contribute a bit more to a more secure one, feel free, you know, it's your carpark.

ST: The take away from all this is ...

PS: That is true, that's a very valid point.

ST: The take away from all this is that what we've identified I think is the almost inevitable by-product of a management agent that has been pretty much left to its own devices, without any robust oversight for arguably about 15 years, in terms of the net effect of previous interventions. And what Pat has been very helpful with, is that we are going to effectively intervene by saying, look, thanks for showing us what you

were planning on doing, we've spent a couple of hours putting together some alternative quotes, and a good example will be as a test, this solution for the fountains. Similarly, I don't know about you guys, but the intercoms is a source of contention for many, many people, particularly in a pandemic, where you are reliant on people coming to the door and making deliveries. Similarly it's very high ticket, it's a big project. We will circulate, now everybody has been introduced, the materials that are generated in connection with these big ticket projects. You may want to read some of it, you may not, but it will be there for you to have a look at and to comment on. But the idea is again with the intercom systems, what we've seen is the exact pattern that Pat just describes with the ponds, where in the new spirit of transparency and cooperation, the management company provide us with quotes, but you get two quotes, which are suspicious, by virtue of either being very low, very high, or not enough of them and the ones that you are given are presented on the basis, well here's one for 2 million, these guys are good, here's one for 1 million, these guys are crap. So the whole ethos behind the way in which we're being told where our money is going is a little bit worrying, not by virtue I think of any mass criminal conspiracies of the kind where Swiss Bank accounts are being filled up by transfers from our service charge, but by the inherent, let's call it low level corruption that exists within the property sector, where you've got three buddies, who provide certain services. You rotate the quotes, nobody ever asks you to justify your quotes, the quotes get higher and higher, everybody is taking a cut and the residents are losing out. So in terms of what the maintenance item is on the agenda, that really is a sort of short and sweet summary as to what it is, which sort of Segway's us into the ...

JD: Stephen, sorry just a quick question?

ST: Yeah, sure.

JD: When is the management agents' contract up for renewal?

ST: Well ...

NN: I think they are up for review by Berkeley in May.

ST: Berkeley is their employer, technically. This is why you always see them refer to Berkeley as the client and to be honest the strategic vision is what Charlie is going to touch on, but that is to have a right to manage and be in a position where we own the freehold. Realistically that is going to take a couple of years, by virtue of the legal landscape changing and us getting our ducks in a row. So the short answer is, I think we are kind of stuck with Rendall & Rittner for the next couple of years or so. And I had this chat with Mike the other day, I'm conscious that we need to have some carrot, to the extent that, you know the analogy is, if you think about your employment, if your boss says look, I'm going to get rid of you, because you're crap, but I'm going to keep you on for another two years, your contribution and the relationship you're going to have for that next two years, is going to be highly tainted. So the official line is with Rendall & Rittner, look we are not happy with the way things have been, let's face it, they've been allowed to evolve in a way that is not necessarily what the residents would want, but if you are now willing to engage with us, with this brave new world of scrutiny and transparency, you can pull it back potentially. I'd be, between you and I, I'd be surprised, but we've got to go in with

some form of carrot, rather than just big sticks, otherwise we are back into the trenches, where you know two opposing sides are glaring at each other and there's no mid-ground for improvement. So that's the sort of context. The Segway there is related to maintenance really, in the sense that the real, real big ticket item, where residents get shafted and again Pat has got a lot of insight into this, in virtue of his previous life's experiences, is the way the insurance market works. The levels of commissions, premiums and back-handers that can be paid in relation to what are big amounts. For Chelsea Bridge Wharf, you know it's 1500 flats and a very juicy number of different premiums, which admittedly doesn't help our cause in terms of trying to work out what's going on. But the other, I suppose open item that we are heavily looking into, and again anybody with a view, or knowledge, or contacts in the insurance business, please jump out on this, but the amount of money I think that can be saved there is another big ticket item. We can talk about geraniums and signs and all the things that piss us off, excuse the language, on a daily basis, but there are big ticket things like the waking watch, like insurance, like the 2 million quid that they were about to spend on the fountains that are the real focus, if you know what I mean, in terms of making sure that we don't get ripped off, in short.

MOD: Can I very briefly say something about the insurance and I will keep it brief. I can't produce all of the information on this at the moment, but there has been an investigation by a contact of mine, who is an expert in insurance and written textbooks on the subject and he has exposed, if you like, how Rendall & Rittner are using shell (?) companies to you know. So basically if they offer, if they tender out insurance for a block and say AXA tender for it, they are saying something like, okay we will give you that contract, but you have to put, you have to reinsure part of it with our company. So there is some very dodgy practice going on.

CGJ: Can I come in on the insurance, just briefly? It's important to remember that there are actually different insurances at Chelsea Bridge Wharf, because there are different landlords. So Mike it might, actually it's quite useful for you to, do you know how the Warwick, the Warwick one is very unusual.

MOD: Yeah well, I mean Warwick, I think is handled directly by L&Q, so ...

CGJ: Yeah you are on a real winner if you live in Warwick. L&Q have you know 20,000 properties spread across the UK and they have one single policy and they charge every leaseholder the same price, regardless of the type of ...

MOD: That's right. So I mean our insurance, we've just had it retendered and it's gone from £210.10 a year to £200.00, so we are very happy.

CGJ: Well yeah, although actually when I contacted them directly they said 220, now, but anyway.

MOD: Okay.

CGJ: Anyway my point is Warwick's insurance is very transparent and very cheap.

MOD: Yeah that's right, we're not part ... on that.

CGJ: And Howard for instance, so Warwick is 220, or 210 per flat this year.

MOD: No, 200 this year. It was 210 last year, but anyway.

CGJ: Not according to the figures L&Q sent me yesterday, but anyway it's around that figure, 210/200 and Howard is over £700.00 per flat, per year. It's nearly four times as high. So and the buildings are structurally identical, but the reason for the massive, part of the reason for the massive difference is essentially Warwick residents are being subsidised by you know L&Q tenants, who live in low rise bungalows, you know much cheaper stock in terms of insurance. So, which is great. So Warwick are in a great position. So for insurance, you don't have to worry about Warwick. The other key differentiation is between the Fairhold Artemis buildings and the Berkeley buildings. So Oswald, Eustace, Centurion, Horace and Howard are all Fairhold Artemis, so they get the insurance policy and Mike is definitely correct that there's a lot of dodgy stuff that goes on there, because Fairhold Artemis are part of a, a bit of a Ponzi, for want of a better word and I guarantee at least 40% of that premium is just a fee that's being paid, which just doesn't pay for any product at all and just goes into the landlord's pocket. But a useful sort of benchmark is the Berkeley policy, because Berkeley themselves still own the freehold and get the insurance for Lanson and Hawker and they do a similar thing to L&Q, where they get a policy for their entire estate, but their estate generally is high rise, London, you know new builds, so they are all fairly similar product types. And, the interesting, and they don't take a massive commission, because they, one because they're a FTSE 100 company and they've got too much PR, bad PR to lose, by being seen to fleece their customers on insurance. So you know they've got other reasons for not being quite so nefarious. So the interesting comparable, which we need to do, is to get the Lanson policy and compare it per square foot and compare it to the Fairhold policy. I think we'll find it's significantly cheaper and then we've got a good case to say look, why is your Fairhold policy you know 30% more expensive and then we can go to tribunal on that basis and you'd win.

MOD: Can I just say one other thing as well, that's all very interesting, but I wondered, I've noticed as well on other developments, I've been told that R&R are suddenly charging arrangement fees for when the insurance is renewed, which they weren't doing before. So suddenly they might say okay you know we've tendered out and we are also going to charge you 9 grand for having done the work around, you know tendering out the insurance.

CGJ: They don't tender the insurance it's not their job, it's the freeholder's job, they have no responsibility over the insurance, except to pass the bill on.

MOD: Well they are, okay well they are doing it on some developments, maybe not here then.

ST: I think that's a good point Mike in terms of any of us sort of jumping out of the metaphorical cupboard, whenever we see any of the materials that we're going to be sharing amongst ourselves, you see the word consultancy, brokerage fee, yet any of these intermediary fees essentially, particularly if they're R&R, I think is something that is legitimate to be challenged. I know Charlie and I both share a pathological dislike of intermediaries of any kind, if they can be ...

CGJ: Except estate agents who are not ...!

ST: Yeah except for estate agents.

(Laughing.)

MOD: It's also worth asking R&R I think, are they benefitting in any way from the insurance, because I think their official line has always been no we don't take any commission, but if you are using captive companies to get part of the reinsurance contact, that's not commission, but you are still making a huge amount of money that way.

ST: I think that's right Mike. The official line, it's a racket and the worse part of the racket, is insurance. So I think everybody on this call is astute enough and connected enough to know what the big issues are, to know that this is something, it's not the most exciting topic in the world, but it's something that we really need to be all over, in terms of actually trying to find out where money is being creamed off on, which I think leads us into our next agenda item.

Now this is going to be our first vote. We are not going to do it on the call I think, because it's quite a big subject that requires a little bit of thought and the information that underlines the various options being in front of you in a reasonably concise and digestible form. But the upshot is that you know we have an issue whereby I think we've established there are concerns with how the management company operates, has operated and where money has been spent. Now again I'm just going to highlight my own personal view here. I don't think that translates as a criminal enterprise in the strictest sense of the word. I think it is just the inherent corruption that permeates the sector that is something that our strategy of dealing with it, is to be all over these guys, like an annoying parrot on their shoulder, looking at every penny they spend, within reason. I mean you know we are not going to be hassling people about the amount of money spent on lavatory paper. I think over a certain threshold the plan is to say look we want to be involved and we need to talk about what that threshold is. So there is a question that we all need to sort of think about, with regards to what is the best way to get to a good place in terms of us being comfortable that we are aware of what's going on and to a certain extent, what has been going on. Now there's two ways you can do that I suppose, one is arguably forward looking, whereby you get an accountant in to work with you, who understands the methodology of management companies accounting processes and effectively focuses on the here and now and teaches interested members of the committee the language of the accounts, with a view to them being able to spot problems or concerns, a lot easier than they can at the moment and Mike is going to touch on that subject in another agenda item in relation to how we are communicated financial information. But you can instruct a firm to undertake what essentially would be a management audit account, where they look back over a period of time and effectively forensically analyse where money has been spent over a certain period of time. Now a document has been circulated prior to the call that summarises, I think the best of the accounting quotes.

MOD: I don't think we've seen that.

ST: ... in relation to undertaking that kind of analysis.

MOD: I don't think I've seen that, Steve.

ST: I'll resend that again Mike, it should have just been sent to your inbox.

MOD: Yeah, sorry, yeah, okay.

ST: It should be there. Okay well that reflects I think the most detailed and clear summary of all the steps that would be involved in undertaking that kind of analysis. Now whilst conceptually, nobody could argue that kind of analysis would be great, it's 42k, which is something that would have to be funded in some way and if we chose to go down that path, there would be another discussion about how we have to fund it.

NN: Can I make clear that it's not the type of accounting where we say, okay one plus one equals two and they have calculated it correctly and they've filed all the details. It's a different type basically where they question why they've spent 700k let's say on staffing or things like this. But I'd rather see how it goes in Power Station where Toby has the flat and see if they actually recover some money and if it's something worthwhile for us investing, or we just move on forward and just be on their shoulder like you said and just watch.

ST: That is a good point Natalia. Actually that's one of the great things that we've got in terms of the representatives on the committee is people who are involved, or able to see what goes on at other developments and a very useful benchmark is the Power Station development right next door to us. Now like most buildings of our type, I suspect their problems are very similar and the issues to be addressed are very similar and there are occasions where we can rely, I think Toby and Natalia have got a particularly useful insight there, where we can use them as guineapigs and effectively say you know their intercom system was good for this reason, you know they did this for that reason, it didn't work out so well. So as a modus operandi, I think the idea of where we can, sort of using our neighbours as guineapigs in the nicest sense of the word, is something that we should be very sort of switched on into doing. I mean my personal view is, I'll sort of echo Natalia in many respects, is I think it, conceptually it's a great idea and I would love to know what has been done and where the money has gone. That said, my fear with these guys is that you know you've got to find a lot of dead bodies in wardrobes to justify a £41,000 payment.

TS: Stephen, can I just pick up ...

ST: Sure Toby.

TS: Because I have got a property there and I did get an update about how this was going, just a few weeks ago, at the Power Station. They are at quite an advanced stage with completing the first part of it, which was a £40,000 initial audit. But the dilemma there really is whether they then go to the next stage, which is £70,000 then to start pursuing it and start going down the legal route to recover the money. So you know whilst we might pay 40 grand and have great results from the initial audit, it's then how much money then needs to be thrown at it, to recover the money afterwards and I

know they're sort of throwing around the figure of 70,000 to take it to the next stage. It could potentially be a lot more ...

ST: My concern with it is that ...

NN: Susan you want to say any?

SDL: Hi Stephen, I'm just wondering, talking about spending 40,000, you are just starting up this organisation, you haven't got any subscriptions yet, so how can one start spending money?

ST: Well to be clear, I mean I'm trying not to be overly subjective, but my personal view is I would be very reluctant to spend that kind of money and the way in which it would be funded would be by some form of outreach to residents, to you know effectively make a contribution, which again optically I wouldn't be that keen to do. The reason we are having this conversation is though, it's not just about one person's view and it's such an important thing that I want all you guys to mull it over and tell me what you think, rather than anything happening that ultimately hasn't got the support of the committee as a whole. So that's really ...

JD: But if you are going to have a strategy of a carrot with Rendall, then having an audit and looking over their shoulder is, having an audit is a very, very blunt stick to apply to them, I think.

ST: Yep agreed.

SD: I agree.

JD: I think we have to a very good piece of strategy about how we are going to deal with Rendall and I think looking over your shoulder is a good measure of guard and puts them on alert that going forward they are not going to be able to get away with things. But in contrast doing a backwards facing audit and a very expensive one is going to raise the drawbridge in their mind, I think.

ST: That is kind of where I'm coming from, to the extent of, if you sum that up, I think we can get a lot more bang for our collective, which essentially is a very small amount of money, in the sense that it's our diligence that is the currency going forward that can generate the sort of returns we are potentially going to see on the insurance that we've already seen with the waking watch refund and really I think the forward looking approach is going to be more net positive in terms of the outcome than the backward looking approach.

MOD: Can I comment on this briefly then if I may, I mean the last I heard, we were up to, we had three different firms that we were getting quotes from, so I assume one of those has been, this is the quote of the best one. But yeah in terms of talking of backward facing, forward facing, you know we are not starting now, you know we've been fighting these battles with Rendall & Rittner for years and you know their ability to respond and improve, I would say is very limited. So of course they're going to make positive noises to us, especially when we are on their case as it were, but in a

nutshell I think this idea that Rendall & Rittner will suddenly reform their ways and suddenly become much more transparent etc., is you know it's fantasy I'm afraid.

CGJ: Can I jump in?

ST: In true journalistic cliché I suppose time will tell on that one.

CGJ: Can I jump in slightly? I mean I rather agree with Mike to an extent. I mean I think really we need to cut the head off the snake.

MOD: Yes.

CGJ: And we do need to take full charge of our destiny and hence our right to manage and taking over the freeholds and taking over the building, but we are going to have to just wait a couple of years for the law to catch up with our intentions. I think in the meantime there is a lot of low hanging fruit, as Stephen was saying, like insurance that we can make massive savings on pretty easily to be honest, without engaging masses of consultants. It's pretty obvious we are being fleeced, we don't have to be geniuses to work it out, or to point it out. But in the longer term, once we've taken over, I mean I would support, once we are in complete control, going historically through the accounts and Rendall & Rittner will no longer be connected to Chelsea Bridge Wharf then, but we can still take them to court for massive overspends over the previous six years, or whenever the Statute of Limitations will take us up to and we'll claw it back. But trying to do it now, we just don't have the money you know. Once we are in control of the whole building and collecting all the service charges, then 40,000 won't seem such a bad investment, if it gets us 5% rebate, that is well in excess of 40 grand, so it will be worth doing.

MOD: Agreed.

CGJ: Is it useful Stephen if I just talk the money side quickly?

ST: Yeah do you want to jump in now and then ...

CGJ: Yeah because Susan was asking.

ST: Everything is fluid and we don't have to be rigid about agendas either really.

CGJ: Essentially what happened is in 2011 we did a right to manage, to try and do this, to take over the whole building, to edge out, you know let the leaseholders take control. It went to court, we won, but the landlords all appealed against us. It went to the upper tribunal and unfortunately the legislation is very badly drafted and it all boiled down to things like vertical division of buildings. So weirdly enough at Chelsea Bridge Wharf, because the car park extends below all the structures of the leasehold buildings, it means they are not properly divisible in the legal sense, so right to manage didn't technically, necessarily apply. We could have re-appealed and I think we might have won, but we didn't have the money and we came to a settlement with the freeholders. And one part of the settlement is that we were able to levy a £10.00 voluntary annual fee on leaseholders that was, sort of formed a bit of a war chest, which is what the RTM account has been doing. It now has about £26,000 in it,

which is essentially the Resident's Association money and can be spent on whatever the Resident Association want to spend it on. The big ticket thing has been the app, which Stephen pushed for and Toby, it's relatively expensive it's about £7000 a year, which nearly consumes all of the £10.00 that we get per flat, because not everyone pays, because some people opt out. So it's about £8,500 a year of income that we get. My thinking now that we have a working Resident's Association that is, as Stephen pointed out, already saving us money through getting rebates, I think we can justify, now we've actually got costs. At the moment the £10.00 is levied on every other bill, so you get two service charge bills and I think it's meant to be done in every December bill. But Rendall & Rittner forgot to put it on the December bill, so didn't collect it, so we haven't got it this time. So I think what we should simply do is put a £10.00 levy on each and every bill that will stop Rendall & Rittner forgetting it and also I think for most leaseholders they, the fact that it's on every bill, instead of every other bill, won't make a massive difference. You know we won't have a sort of revolution amongst leaseholders and we can justify it, because we are saving them much more than that £10.00 on each bill. It will double our income to about £16,000/£17,000 hopefully a year, which means we can do stuff beyond just the app and it gives us more room for movement.

MOD: Are we talking about sort of doubling the subscription then in effect?

CGJ: Doubling yes, so instead of being £10.00, yeah just once a year, it will be £10.00 on each demand, which I think we can justify, because look at the money we're saving, you know look at just that rebate.

MOD: No I don't think it's unjustified, but you know I just think we need to be careful about how we are communicating it to residents and not to let them just find out that it's suddenly been doubled.

CGJ: Yeah, no, I mean the current situation is that on the next bill in June, they will get the bill that they should have had in December and then in the following bill in December they will get the bill that they should get every December. So oddly enough we don't really need to communicate it in great detail until June 2022.

MOD: Well okay, I don't agree with that.

CGJ: No, no to be clear if we don't increase the level, they still pay it in June, they still pay it in December. So we're not charging anyone any more money until June 2022.

MOD: Oh right I'm confused then, because I thought you were talking about charging it twice a year.

CGJ: Yes but Rendall & Rittner forgot to do it in December, they forgot. So the December bill is being put on the June bill. So you will get charged it in June and then you will get charged it in December

MOD: So people would still be paying £10.00 a year.

CGJ: No, yes, but they will get it on two, two in a row, because they forgot. So even if we want to double it, we can't do anything until June next year.

ST: And to sort of jump in Mike, there's no suggestion that a) anything is going to be done without people being given notice and b) it's still not compulsory, people can still opt out.

MOD: No I'm just arguing for communication whatever we are doing clearly and in advance so people can ...

ST: Oh yeah, no, no, I'm just pointing out that it goes without saying ...

CGJ: We can't take that until June 2022, so in fact we've got time to communicate.

ST: ...will involve advanced communications and optionality. So I'm conscious of time, so I'm going to sort of gallop through the next sort of issues. But very briefly the other accounting approach is that we go down the sort of forward looking path, get somebody to teach us the language of the accounts and pick them up on items as they come up, before the money is spent, going forward. And we've got another quote that we circulated from an accounting firm that Pat has worked with in the past, and as a, I suppose a person that works in the professional advice area, I've always got a huge amount of time for any professional that gives advice, whereby they are effectively saying look, I could charge you loads of money to do this, but my advice is to do something that is infinitely cheaper that would lead to a better led outcome and that's the tone of the advice that we got from the accountant that Pat has been working with for 20 years. There are many, many professional services providers out there that will capitalise on your anger, your emotions, your feeling of being ripped off on a very, very regular basis and they will fleece you accordingly. So you know the classic example is divorce lawyers, never get professional services people involved unless it's absolutely necessary! So I would highlight that there is an alternative. There was a third option that basically alienated us straightaway by virtue of even the initial call, they wanted to charge us a few hundred quid for, which again it goes against the grain whereby most professionals will say, a bit like heroin dealers, your first one is free and then we'll reel you in and charge you subsequently. These guys didn't even have the decency to do that, which kind of put them off slightly. So that will be something that you will get a little bit of a pack on, with regards to the accounting audit and we will take a vote on it and we'll see where we end up on the back of that.

Community road safety parking etc., the reason they've all been included together and I'm very conscious that Jean in particular is keen that we don't neglect them and I think it's often potentially a very neglected aspect of a residents association is you know developing a spirit of community in an environment, in which a community flourishes, where not only are we not being ripped off, but we've also got an environment that we enjoy living in and is relatively pleasant. Now I'm going to be liaising with Jean, sort of offline, with regards to initial measures, where I've reached out to Battersea Police and the Wandsworth Community Body that effectively deals with matters that are of interest to residents in the Wandsworth area that we live in. The key focus of that really is the behaviour of the motorists in this area and in short you know, in an area, in a city that is so full of speed cameras, why Chelsea Bridge, which is a hot bed of speeding hasn't got any, is a suspicious issue in itself if you ask me. And also and I hate to jump on the 'beat the burger van ban' wagon, but I think the time has come for the issue to be raised with Wandsworth again as to whether it's

appropriate with the extra development that's taking place round here, to have the burger van in its current location. So as I say Jean and I are going to be getting involved in these sort of discussions offline, but I just wanted to let you know that it isn't just about money, it isn't just about looking over the shoulder of Rendall & Rittner, there is a community aspect as well. So having said that I'm going to hand over to Mike very briefly in terms of ...

JD: Sorry, can I just interject one quick thing, which is my wish, when covid comes down and the restrictions allow that we are able to host some sort of an event regularly, for all residents, to come together, grab a drink and say hello to one another, so that we can begin to really further develop the community.

NN: Yes that's ...

JD: And I know we can't do it these days, so, okay, thank you.

ST: There is not a single thing in that proposal that I didn't like the sound of. So that's a nice one to throw in. So moving onto what I think has been, the initial sort of surveying we've done and it's a little bit ad hoc at the moment and again I'm going to work with Mike to create a slightly more organised sort of survey environment where we can understand what people are interested in and what they want to get the community and the committee to focus on. But a perennial concern is essentially the way in which we are given information about our service charge. I mean I'm virtually the numerate equivalent of illiterate when it comes down to numbers. There's a very good reason I became a lawyer and not a numbers guy. But I mean there are people on this call who are perhaps more financially literate than I and I think everybody pretty much agrees that the current format is opaque and difficult to follow. So Mike would you like to give a couple of minutes summary as to what we're doing in that regard.

MOD: Well basically in February when we started sort of you know discussing this, I you know I, at the request of Stephen I put together a document for Rendall & Rittner, which was screen shots of their portal where you see your billing, you see your statement, your transactions. So I put screen shots of that and put together you know a little critique of it, if you like, about where it was unclear. I circulated that to Rendall & Rittner and copied in some of you, who were working with us then and I can re-circulate that if anyone is interested. But basically it was saying to Rendall & Rittner here is what the problems are with the billing system, the major points that were unclear such as you know, in particular, one cannot clearly see what the monthly or quarterly service charge amount even is, you know that's the most basic information that you would want. And a lot of people think on a monthly basis, in Warwick at least, you know as in , I know what my salary is, I would like to know what my monthly service charge is coming out of that and my monthly mortgage. So one cannot even get that basic information easily. If you know where to look and you can get your calculator out, yeah okay you can work it out, but it's not self-evident and it should be a headline figure in your face, you know here's the quarterly or monthly service charge amount and many other kind of strange anomalies in there, which I've highlighted. So we were hoping to get a response to that and Stephen was saying earlier on about Richard Davos's sort of positive attitude, well you know, he's done nothing on this so far I'm afraid. He's making the right noises as usual, but has done

nothing. I mean okay he has been off sick for a period as well, but anyway we are due to have a meeting with them to discuss this in April, towards the end of April I think, but we haven't had any feedback in the meantime. So if people want to send me examples of, because I believe there are some variants across blocks in how the billing is presented. Obviously I've got Warwick examples of statements and billing, but if people want to send ...

NN: I think it just should be like this is the budget for Howard one block, this is what your percentage of your flat paid towards insurance, towards lease, towards carpet cleaning and this is to be divided between each flat, so you know what is my actual contribution.

ST: Yeah I think what we are trying to aim for Natalia is a, we all kind of understand that there are going to be official accounts that are the basis of what the numbers are and again speaking to Pat, I understand that they're all generated by a limited number of software companies. What we would like to see and this is where Mike and I are going to sit down with Richard and say look we aren't expecting you to change the underlying materials that you produce, but we want some sort of executive summary cover sheet in bright colours with pie charts that actually makes the sort of linkage that Natalia just referenced and also breaks the numbers down into the sort of monthly fees that Mike talked about that people need to see. A cynic would suggest at the moment that they are almost intentionally opaque.

MOD: I don't think that's cynical, that's just a fair analysis to be honest.

ST: Yeah that's probably true! But Mike and I will keep you in the loop on that one.

MOD: Yeah but can I just say Steve ...

ST: Sorry you go Mike.

MOD: If people want to send me examples of their statements, I mean you might consider it personal information and you may not want to, but if you want to send me any examples, because there are some variances across blocks in the format. So I've got Warwick examples and they are not good, but if anybody wants to send me others that would be grist for our mill.

PS: Yeah I'll send Centurion Mike, I'll send you Centurion, okay.

MOD: Great thank you and obviously we'll talk to Rendall & Rittner and try and get them to make it into a more sensible format and then, because I know people in Warwick who are in serious arrears now because they couldn't even work out what the monthly amount was.

ST: Yeah that is true, I've seen some of that.

MOD: One woman who is three grand in arrears and had no idea until quite recently, apparently.

NN: Yes because they opted everyone out of the paper billing and then they send it somewhere into their email, which I actually also never receive and I told them I don't want e-billing, I want physical bills sent to me and they said yes we will do that, but we will charge you extra for that.

ST: Yes it's definitely an issue. I'm conscious of our hard start, so I don't want to be dishonouring my promise on the first inaugural meeting. So very briefly, I mean Charlie has kindly sort of saved us having to, sort of saved the best to last in some respects, what I would say is really the strategic project that Charlie is looking at, is really what this is all about in some respects, to the extent that we all want to work in a, live, work, have a functional and pleasant development and building, not withstanding the most important part of that is to eventually take the controls that Charlie has been looking at over the last few years, in terms of right to manage and owning the freehold. I think just to highlight when I say that we are the tactical arm of this and that a vital part of that is to be able to argue that you're representative of the building and you are effectively acting in the interests of all the residents. Now in order to be able to point at a functioning residents association with its own database and its own app, and its own committee that's a much easier win for Charlie and the lawyers that we're working with in relation to the strategic goal, than having a disjointed illegitimate group of individuals that we had in the past. So that's my take on it. Charlie if you've got anything you want to say.

CGJ: Yes just the final thing to say about the whole sort of strategic idea of the purchase of the freehold and taking control of our own destiny, is that I heard from a senior civil servant that I've been dealing with that parliamentary time has been set aside in April 2022 for leasehold reform. So that's really positive. Whether it will all, I suspect it's quite a lot of reform and it may end up getting dragged over a couple of years, but it's positive that some parliamentary time has been set aside in April 2022, to re, you know to vote through new legislation.

ST: And needless to say we are already positioning, so as soon as we can, we're going to act and Charlie is all over this, to the extent that we won't miss the moment that we can. So that hopefully provides some reassurance. So very briefly, we are one minute over, in terms of any other business, well I would just like to add now in relation to us being able to sort of get out there and shake some cages, we are now officially members of a something, i.e. a residents association that has a form, will have a constitution and does exist. It's incumbent on us in the capacity of being a committee member that we act effectively as though it's our job, rather than the fact that we are residents that live here and sort of communicate with people in a sort of arms' length way that will look good in the event that there are any legal discussions further down the line. So I would just urge you and I know it's not always easy when you know you're being given the run-around by people who are very good at perhaps throwing smoke into the room, but not so good at delivering, to get impatient with these people, but always have one eye now going forward on the fact that anything that we are generating that is in the auspices of the committee, is going to be a potentially public document that reflects the interactions between the committee and Rendall & Rittner. So I just urge us all to sort of now try when we are communicating with Rendall & Rittner, keep it as you would if you were at arm's length, even if secretly you'd like to go round and smash the windows and attack them all individually. And that's my any other business. But in the interests of full democracy and transparency, has anybody

else got anything they would like to say before we let everybody get back to Sunday lunch, or whatever it is they are doing.

MOD: I have, you know very, very briefly. Most people are probably aware that Rendall & Rittner recently in effect got taken over by a Swedish venture capital firm, so we don't know what all of that will mean. Obviously we haven't got time to discuss it now, but we should be aware of it and I've got some information on it, if anybody is interested. That's all I would say at this time.

ST: On things like that Mike and again I would resonate this message to everybody, if you've got things that you objectively think are of interest, please from my side anyway, circulate to us all, there will be now a mailing list with us all on. I would prefer that people can you know delete, or not read, rather than not have access to information. At the same time I don't want any of you to be bombarded to the extent that you have to set up a rule for a spam file full of Chelsea Bridge Wharf stuff. So hopefully we will get the right balance with that. But I can't thank you all enough, for spending an hour of your very valuable Sundays, to discuss this. I'll be discussing sort of very specific with things, with people I find who have an interest and you'll be getting some information that will help you have your first chance to make a difference and tell us what you want to do in relation to the accounting. I look forward to seeing you all for that drink at sometime in the future.

NN: Shall we leave it for you to announce about the cladding on app, or anywhere else?

ST: Yes we'll announce that this week. I think that's a, it's nice to have a positive narrative for once, so yeah and hopefully I will have a picture on the 12th April of all the fountains working too. Let's see! Okay guys, good to see you all, nice to meet you, enjoy the rest of your day. Bye, bye.

(Various thank you's and goodbyes.)

End of Meeting