

Chelsea Bridge Wharf RESIDENTS' MEETING

10TH OCTOBER 2022

PRESENTED BY:

RICHARD DAVER

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Chelsea Bridge Wharf



- Introduction
- Service Charge
- Team Structure
- Completed Works
- Current Works
- Future works
- Q&A



Service Charge Overview



- 4 Landlords
- 2 Different Year Ends
- Differing Vat Registration Treatment
- 9 Buildings + Commercial, Hotel & Car Park
- 20+ Service Charge Schedules
- C. £5m Budget

Service Charge Overview



- Estate Charge apportioned to all buildings, Hotel and commercial units
- Building costs internal apportioned to all apartments
- Building costs external apportioned to all apartments and commercial units
- Lanson, Hawker & Burnelli Shared schedule for external costs apportioned across each of the 3 buildings. Internal costs apportioned only to apartments in that block.
- Car Park apportioned to Berkeley Homes for public parking and car space owners

Service Charge – 7 Year Comparison



Building	7 Year Increase %	Average annual %		
Howard	37	5.29		
Centurion	45	6.43		
Oswald	35	5.00		
Eustace	38	5.43		
Horace	12% (*26)	1.7 (*3.71)		
Lanson	47	6.71		
Hawker	63	9.00		
Burnelli	75	10.71		
Warwick E3 **	70	10.00		
Warwick E4 **	97	13.86		

^{**} Excludes 2022 electricity credit adjustment

Service Charge – 7 Year Comparison



	2021	2020	2019	2018	2017	2016	2015	
Staffing	968,709	815,328	1,091,170	928,861	737,917	761,798	683,965	<mark>42%</mark>
Utilities	775,661	668,035	371,244	380,735	423,305	273,412	425,561	82%
Contracts, Maintenance & Services	850,440	700,822	659,162	693,254	741,569	794,403	710,167	20%
Insurance	767,789	598,608	547,478	417,356	398,435	359,052	320,597	139%
Professional Services	435,170	422,758	403,532	377,718	368,829	359,385	337,495	29%
Reserve Contribution	761,988	761,988	761,988	761,988	751,988	643,652	640,652	19%
Total Expenditure	4,559,757	3,967,539	3,834,574	3,559,912	3,422,043	3,191,702	3,118,437	46%

Service Charge - Year on year comparison



Main Drivers:

- Increase in staffing costs from November 2018 caused by an HMRC ruling that 20% VAT should be payable on staff wages (previously exempt).
- Increase in utilities costs
- Increase in insurance costs

Service Charge - Year on year comparison



Warwick E1 -3

	2021	2020	2019	2018	2017	2016	2015	% increase
Estate Recharge	£ 109,363	£ 135,578	£ 128,453	£ 115,810	£ 104,443	£ 97,138	£ 84,934	29%
Staffing	£ 45,976	£ 53,397	£ 46,882	£ 38,558	£ 38,419	£ 36,168	£ 36,464	26%
Utilities	£ 136,836	£ 98,134	£ 38,775	£ 25,352	£ 33,994	£ 14,494	£ 48,045	185%
Contracts, Maintenance and Services	£ 69,226	£ 53,551	£ 41,373	£ 43,142	£ 53,817	£ 58,934	£ 49,408	40%
Insurance	£ 37,227	£ 34,086	£ 32,400	£ -	£ -	£ -	£ -	
Professional Services	£ 38,946	£ 37,831	£ 34,185	£ 26,349	£ 25,574	£ 26,510	£ 24,596	58%
Reserve Contribution	£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 40,000	£ 40,000	£ 40,000	13%
Total Expenditure	£ 482,574	£ 457,577	£ 367,068	£ 294,211	£ 296,247	£ 273,244	£ 283,447	70%

Reserve Fund Balances @ 31 December 2021



		(£)
Estate		473,437
Howard		611,645
Centurion		393,473
Oswald		578,382
Eustace		421,618
Horace		185,223
Lanson / Hawker / Burnelli Shared		518,515
Lanson (Internal)		138,274
Hawker (Internal)		155,729
Burnelli (Internal)		164,714
Warwick E1-E3 (Y/E March 22)		132,979
Warwick E4 (Y/E March 22)		139,153
	£	3,913,142

Excludes Y/E 2022 (23 for Warwick) Contributions and Expenditure

Service Charge budget 2023

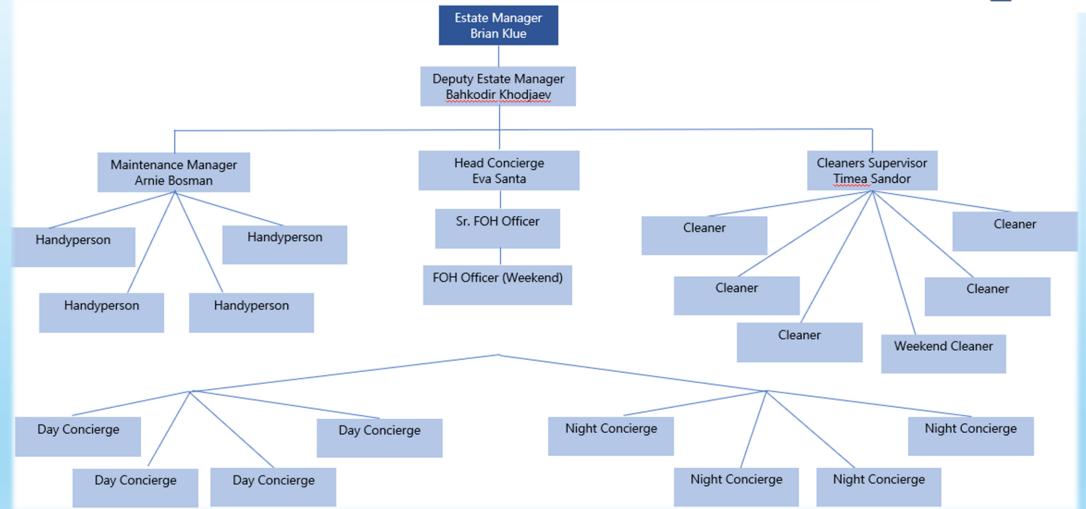


Headline Items:

- Insurance costs continue to rise but are levelling
- Electricity market remains extremely volatile and significant rises are to be expected.
- Annual Fire Door Audits a legal requirement
- Staff restructuring will result in greater efficiencies
- Increase in the reserve funds to meet the development requirements
- Resident Association requests being considered

Chelsea Bridge Wharf – Your Team Structure





Completed Works



- Fountain refurbishment
- New floor lighting on the Cinderella Stairs
- Centurion Pond
- Deep clean of hard standings
- Carpet cleaning at Piazza level
- Road line painting in front of the Concierge Office
- Bin store painting

Current Projects



- Howard/Warwick Pond refurbishments
- Internal LED Lighting replacements
- CCTV upgrade following full removal of scaffold
- Sanding/varnishing of planters
- Centurion Core 2 bridge lights
- Access control software upgrade to improve security
- Installation of InPost (Hermes) and Amazon storage lockers

ACM Cladding Remediation



- Lanson Scaffolding removed by the end of September
- Oswald and Eustace due to be removed by mid-October
- Delays caused by various issues outside of Berkeley Homes' control suitably qualified labour, material delivery/damage
- Fully funded by Berkeley Homes
- Next update due in 2-3 weeks

Future Projects



- Repainting of Estate Management office external walls and staircase to Piazza elevation
- Refurbishment of all block ground floor lobby areas
- Finalising costs for full refurbishments to be completed inline with reserve fund levels
- Lift refurbishments

Resident Reminders



- Disposal of bulk refuse
- No artificial grass should be installed on balconies
- No smoking or BBQs on balconies
- Short term lets may not be permitted under the terms of your lease

Concierge/Team data



In 2022...

- 9,085 Parcels delivered
- 14,873 Keys signed out
- 141out of 207 Bike spaces issued

• 98% score in September H&S Audit



Question and Answers



Q - Can anything be done to reduce the fire risk associated with charging electric bikes in apartments?

A – We can inform residents of the risks and advise them to ensure any charging within the apartments is done correctly. We have no authority to prevent people from charging items within the apartments

Q – Is smoking allowed in the apartments? Even if they smoke in the apartments, with doors open, the smoke travels into apartments above.

A – There is nothing to prevent smoking within an apartment, but we can include a reminder in the next resident update.

Q – Can smoking be banned outside the marketplace as the smoke travels up to apartments? There is a cigarette bin outside which encourages it.

A – We are not able to ban smoking in this area, but can consider replacing the bin with one that doesn't have a cigarette disposal element to it.

Q – What was the cost of the fountain refurbishment?

A – UKFF costs to refurbish the fountains, including the pre-Jubilee party works approved by the RA was £52,964.50+Vat. This has been factored into the cost for 2022.



Q – Can you explain what type of parcels can and cannot be taken in by the Concierge as I've had a few rejected?

A – We can't take in large items such as mattresses for storage reasons, and also any perishable items such as food. Most other items should be accepted.

Q – Given the amount of bulk refuse, can information be given to residents as to how it should be disposed of?

A – We can create an information pack which will include this information.

Q – Can we be notified when the window cleaning is being carried out as I had my windows open last time when they came and they didn't get done? Can a simple email be sent?

A – Notifications are placed on the portal informing residents and is the best method to update residents. Tenants are informed via the formally required licence to sublet process on how to register so they can also receive notifications. It doesn't require you to log in each time, as the email it generates provides the details



Q – What was the outcome of the recent inspection on apartment doors, for fire safety?

A – This related to the new legislation to carry out Fire Door Audits. The process has been a lengthy one given the number of fire doors on site but the reports have now been provided and the resultant actions are being collated. Any leaseholder doors that have remedial works required will be informed as soon as possible. The stay put policy for the building remains valid.

Q – What is the £8,000 per month community services budget for?

A – We believe this refers to the previous <u>annual</u> budgeted amount for community engagement office of £10,000. This was in place to contribute towards community events but was removed in 2022 as it was not previously used.



Q – Given the rise in insurance is partly due to the cladding issue, when the cladding works are complete, will this result in lower insurance premiums?

A – As Rendall and Rittner are not involved in the placement of insurance, we are unable to specifically confirm, but our expectation is that, should the relevant buildings have been rated higher, then this would be adjusted back on completion. That said, increases have been seen on the non ACM buildings as well and this is driven by build cost inflation (which has been substantially higher than RPI in recent years) as well as an increase in premium rating reflecting market conditions, industry claims losses and a general reduced appetite to underwrite residential block insurance.

Q – Given the cost of employing staff increased by 20% in 2018, can the staff not be employed by the Freeholder, or another resolution found to avoid this?

A – The Freeholder is not structured to employ site staff and it is only the party with the interest in the land that can employ staff, removing the requirement to pay VAT. A significant amount of time and money was spent by R&R, and the industry to review this with tax/employment professionals challenging the HMRC's Uturn on this matter. Sadly there is no alternative.

Q – When will the intercom system be fully upgraded?

A – An interim solution was agreed with the RA in 2021 which resulted in many of the outstanding items being resolved, enabling reserve fund money to be used on other major items. Costs of the full replacement are being reviewed for the reserve fund for the 2023 budget.



Q – Can you explain the position with the Warwick electricity refund, who is eligible and how we claim?

A – The credits have been applied in the March 2022 year end accounts which were issued on 30th September. The credit is applicable to each Warwick property and will automatically be applied to all Leaseholder's service charge account before the November monthly charges are applied. This will therefore offset an element of the forthcoming charges.

Q - I read that Rendall and Rittner made £1 million on electricity commissions last year ..how much did you make at CBW please?

A – The article you refer to is factually incorrect, and vastly exaggerates the numbers. Numerous assumptions have been made, suggesting that all placement bears a commission, which is not true. Commission is based on consumption rather than cost. Commission rates are below those obtained by independent energy brokers so resident costs would rise if we utilised those brokers. In the event any commission is paid to Rendall and Rittner, it is included in the end of year accounts, under the "income and related income or other benefits" heading

Q – In Oswald, one of wooden planks on each balcony facing the road has a hole because of the cladding work. Will they repair these boards?

A – Please liaise with Brian Klue who will provide the details to the Berkeley Homes team managing the project.

Thankyou for your support

