

Minutes for Service Charge Working Party - Thurs 7 March 2024 - Model Room

Present:

Pam Wharfe - Interim Assistant Director Housing & Barbican
Anne Mason - Service Charge and Revenues Manager
Helen Davinson - Resident Services Manager
Damon Ellis - Interim Contracts Manager
Jason Hayes - Head of Major Works
Adam Hogg - SCWP
Sandra Jenner - Chair SCWP
François Xavier Villemin - RCC nominee on the Energy Audit
Fred Rodgers - SCWP
Frits van Kempen - SCWP
Sally Spensley - SCWP
Bernie Burrows - SCWP
Helen Hudson - SCWP (via remote)

Action

1. Energy Update

Still awaiting start of audit now going to procurement.
Estimates are based on actual prices we paying now and historic usage.
Hopefully will be amended down once Team Energy come back with new figures.
Rate sent includes PPA - if prices go down we don't get as much PPA.
No idea when kick off mtg will be.
Audit may take 3 months.

Will it be possible to make a service charge adjustment mid year? Could look at if significant +/-10p per unit.
Might not get prices until Oct or even Dec (used to be Sep, now taking longer) and heating not on until Oct.

Anne to provide data for 10 year consumption averages based on end of financial year readings engineers take.

Anne

2. Outstanding Issues from SCWP Tracker Sheet

Notes have been added to the sheet (now in Word format attached).

Metwin - have signed the contract extension.
Damon confirmed no works over £500 to be undertaken without his approval and Metwin are no longer just going out and deciding what work needs to be done and then doing it.
Shortfall in supervision – trying to lean on resident engineers for this

Window cleaning going out to retender. Resident panel to be involved in evaluation.
Insourcing not possible due to timescales, insurances, supervision, health & safety etc.
Towers have gone down and blocks up. Asked that tendering process looks at 2-part contract one for towers and other for terrace blocks.

Damon

Windows - 10 year warranty is for resin repairs not spliced timber repairs. Resin repairs will be reversed for spliced timber repairs and would look for a 10 year insurance backed warranty.

Warranties have not been used in past when they should have so have paid for warranty and for the work.

Also need to monitor the repairs that are done. Helen raised issues regarding survey reports which were quite basic with no background info. Jason said some info might be difficult to share due to flat numbers.

One window repair was done by an electrical supplier. Jason said important that the right people are doing the works

Jason noted there will be a change across the estate from varnish to oil treatment which will protect windows longer and with less preparation needed in future.

There is going to be future meeting with Graham X to discuss all this. The city determines how the management of the properties should be done and it hasn't been done properly.

Deferred payment scheme for cost of windows replacements - leasehold paper is being taken to DCCS next week.

Statutory scheme for those who had purchased under right to buy

Discretionary loan scheme for others along the same lines

Fred raised issue of being able to pay monthly rather than quarterly. Next phase of Horizon implementation may allow that to be looked at.

Flat numbers on reports - work around may be 2 or 3 nominated people per block are trained and sign some sort of NDA.

Waterproofing on balconies and barrels - covered by forensic surveying programme - full report by end of March / mid April. There is no evidence that warranties have been used.

Civica fixing is underway - consultant is working thru problems - hoping by end of March.

3 Service charge actuals to date for current year and forecast outturn and timetable for 24/25

Major projects - no program yet for things like windows, balconies and tower lifts and what the costs may be so likely these won't be charged on estimate but note in letters that this will be coming. Charge will come as an actual at end of year so Sep 25. Cost will be known anyway from S20. Hope is that ad hoc repairs will reduce and more be done on a planned/managed basis.

Supervision and Management - Anne to break down S+M costs and how allocated between service charge and non service charge. Adam queried house officers 20% increase. There needs to be a commentary on the line item values, what they are made up of, how/why they have changed from last year - so a schedule showing where all the £1.9m of total costs ends up being allocated.

Anne

Technical service costs on projects will be reallocated to the block where the work is undertaken. General repairs are split by the number of orders per block. There remains a lot of confusion what the allocation rules are and this needs to be clear. The related information has been asked for and has not been forthcoming - e.g. what has been paid for supervision and management for redecoration in recent years.

Anne

Garcheys - about 900 still in operation, £19.5K insurance premium for plant (2 stations, pipework etc). Think damage and liability insurance? Need an insurance statement and ensure that claims are made on insurance.

A summary of all insurances, their costs and cover would be provided with the pack for the next meeting in mid-April

Anne

Lighting - Over £1m spend on lighting - where are we with low energy lighting? Anne says replacement lighting is low energy but how much has been done and what savings?

TBA

Superannuation is only for full time employees after 6 months.

NI - Anne to double check NI figures.

Anne

Car Park Attendants - there are 2 cost centres , solely car parking and service charge account for car park attendants where each block has its own % in the lease. 36.8% of CPA salaries are allocated to service charge account. The 4 supervisors will be split between cleaning lobbies and carparking - raising questions about number of supervisors needed.

Supervisors now included rather than in S+M shared (split between cleaning, car parking and lobbies)

Anne can put another line in with the original staffing/costs method & provide a schedule showing how the 4 supervisors are allocated across departments

Anne

Repairs & Maint. Some confusion in where general repairs have been moved to major projects so figures to be reviewed.

Why do some similar blocks have very different costs, e.g. of the towers Shakespeare historically always lower, Lauderdale is a lot more (did they have a £70k penthouse window repair?). We need to be assured that someone is looking at these differences, looking at the data and what it is telling us.

Anne

TBA

Can we have a list of number of units in each block.

Anne

For all relevant tabs in the schedule, a comparable analysis of the 23/24 Revised Estimates (as Sally previously requested by email).

Anne

Repairs and Maintenance costs to be provided by house group for 23/24 before she sends out the actuals this summer. (This should give the house groups a chance to query costs before they are billed).

Anne

Other Agenda Items

These were covered in above.

Anne to send the note about the as yet unbilled 22/23 energy costs in May at the same time as the service charge estimates get sent out. A warning with an amount is preferable if there is some confidence in the numbers. Actual bills will be September.

Anne

Some discussion about whether water meters can be installed per block. Can it be done technically - probably - can it be charged for probably not.

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