

Royal Standard House & City Point

RSH & CP COMPANY LTD AGM

19th August 2024

Today's Presentation

- Board's Report
- Managing Agent's Report
- Planned Property Maintenance (PPM)

Questions are welcome throughout and at the end.

We want to hear your views!

Board's Report

Board objectives for the year

- Continuing to take a more strategic and ‘overseeing’ approach as a Board
 - Allow managing agent to do the day-to-day managing of the site
 - But with proactive real time engagement and input by Board
- Improving communications and consultations
 - Bi-annual meetings
 - Encouraging direct communication with the managing agents on day- to-day issues

What we said last year ...

- Develop medium-term maintenance plan
- Complex and costly maintenance issues to resolve
- Complete a proper survey of both buildings
 - recommendations for the future - with high level costings
- Sinking funds will need to be put in place accordingly

Summary of the Year

- New managing agent NG appointed
 - A really good first year with Blue to get through backlog, but we believe they over-expanded too quickly and lost key personnel
 - NG is a better fit for our site for the future
- Review of the condition of the buildings undertaken
 - Further investigation required in inaccessible areas (e.g. RSH roof)
 - Assessment of sinking funds needed
- Progress on legal issues with no.s 3 &10 RSH
- Rain and leaks – both buildings
- Underletting – oversight & advice
- Health & Safety legislation - continues to increase

Lease Issues and Legal Costs

- 3 & 10 RSH - subject of two long-standing legal processes
 - Separate issues & processes, but same parties involved
 - Both progressing through legal system; cannot bypass this
- 3 RSH – breach of lease with no action to remedy by leaseholders
 - Tribunal found in favour of RSH&CP Company Ltd – 17 January 2024
 - Hearing date for a possession claim on 27 September 2024
 - Courts will determine a costs award after this
- 10 RSH – corporate leaseholder struck off by Companies House
 - Flat has reverted to being part of freehold
 - Cost application successful; we await final figure from Courts
 - Hearing date for the possession claim yet to be set

Service Charge Costs 2023

- Some overspends – mainly due to higher-than-expected electricity costs
- Several unexpected repairs in RSH
- Significant numbers of emergency lights failed annual tests
- Extra sinking fund contributions in preparation for expected works
 - starting to fund next external redecoration
- 5 items make up +70% of the charge

Service Charge Costs 2023

Service charge: Top 10 costs

	2023	%
Sinking fund contributions	74,000	30%
Electricity	42,220	17%
Insurance	28,973	12%
General maintenance	20,337	8%
Management fee	16,020	6%
Lift maintenance	13,282	5%
Cleaning	12,644	5%
Emergency lighting	7,757	3%
Professional fees	6,205	2%
Gardening & landscaping	5,600	2%
Other costs*	21,375	9%
Total service charge	248,413	100%

Note the 2024 budget has total sinking fund contributions increased to £100,000 which is roughly the level we believe they will need to stay at for the next 5 years

Managing Agent's Report

NG Block Management

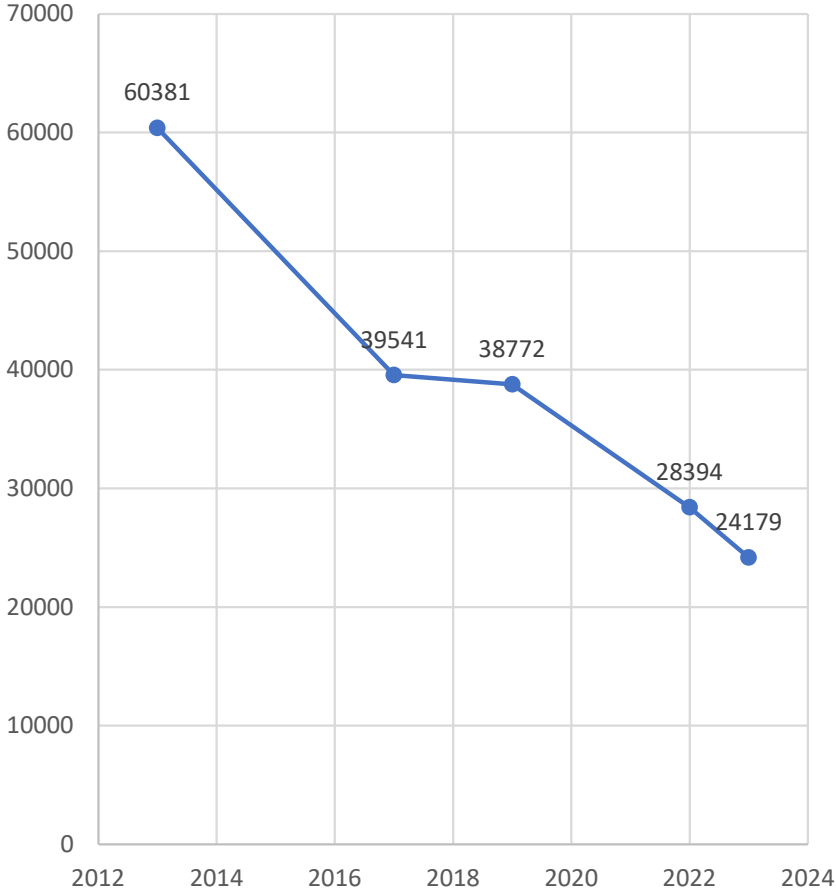
- Small Nottingham based company
- Other blocks include River Crescent
- Core team: James, Jamie, Liz
- Also have a team of Chartered Surveyors
 - We have complex maintenance works and long-term planning need
- How to report issues
- Service charge payments – options
- Complaints process

Electricity Costs

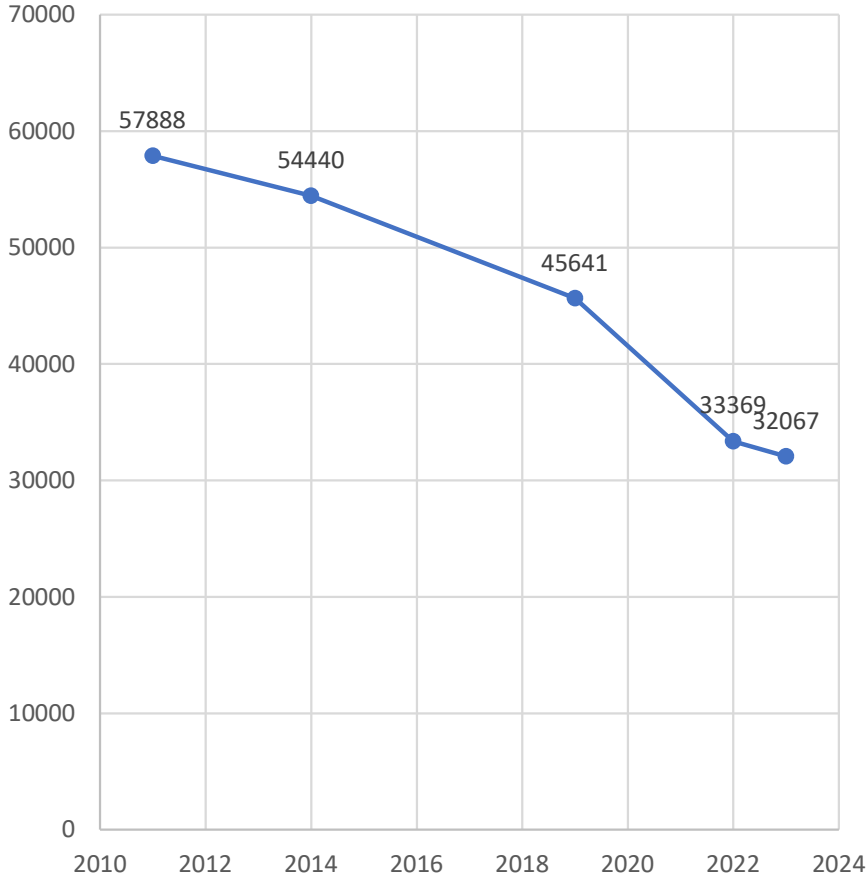
- Successful reductions in consumption since 2019
 - RSH – 30% less
 - CP – 28% less
- Dramatic increase in electricity prices since May 2022
- Market very difficult and pricing complicated
- Rates fixed for 2024 but still some 50% higher than 2021
- 2024 actual costs likely to be close to budgeted

Electricity Consumption over the years

CP Total Annual Energy Usage in kWh



RSH total annual energy usage in kWh



Can we reduce usage further ?

- RSH consumption driven by communal vent system (24 hours a day), corridor lights, lift operation and gym
- CP consumption driven by garage lights, corridor lights and outside parking lights
- We have made the big savings
- Some potential improvements possible but more work to do
 - Metered monitoring being organised to help inform us
 - We have some ideas but need to check feasibility

Health & Safety / Fire Risk Overview

- Increasing legislation (& cost) following Grenfell inquiry
 - Fire Strategy documents
 - Fire door surveys
- Regular safety checks
 - Smoke vents, lightning protection, abseil points, communal doors
- EWC for CP outside wooden cladding every 5 years
- Emergency lights testing and failures
- CP garage and fire alarm

Health & Safety / Fire Risk - Actions

- Site information for Fire Brigade
 - A new, secure box for info and access for the Fire Brigade near the car wash area
 - Site plans and info on residents needing help evacuating
- Fire doors
 - All apartment and communal fire doors to be re-inspected
 - Leaseholders to be given info on how to make their front doors meet regulations
- Fire Strategies
 - Original fire strategy for Royal Standard house exists, the City Point version is missing and may need to be commissioned
- Riser/meter cupboards and storage
 - Nothing is to be stored in these cupboards. The East block gas meter cupboards are next to be cleared, along with the City Point tank room

Underletting Update

- Does the lease allow holiday lets?
 - Lease requires occupancy as 'Private Residence'
 - Legal advice says this requires residence to be occupied as a home - degree of permanency of occupant (not for a few days)
 - Lease does not allow for any holiday occupancy such as Air BnB
- Recent tenancy terminated at our request
 - Over occupancy and questions over rights of residency
 - Several breaches of the lease
 - Assisted leaseholder to identify cause to terminate letting and minimise damage for leaseholder
- Reminder that permission required to underlet – via NG

Planned Property Maintenance (PPM)

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- Maintenance needs in next few years
 - Helps set the levels of sinking funds needed.
- Areas requiring painting or replacing (exterior wood)
- Double glazing and seals to windows/doors
 - the Company is responsible for some of these.
- Repairs to minimise water ingress to the buildings
- Some causes for concern
 - but need further investigations before we start to worry (RSH roof, Valley House retaining walls)
- Lifts appear to be doing well

Section 20s

- Required to consult leaseholders for major projects
- RSH Roof investigations – currently several leaks.
- Long standing water ingress issues at CP
 - 4 areas of leaks made worse by excessive rain; some investigations needed
- Door entry system – RSH has multiple long-standing problems (CP may be impacted)
 - Likely difference in costs for different upgrades, key is to have flexibility
- Fire strategy for CP
 - Would like to find a cost-effective solution

Sinking Funds Plan in Place

- We have sufficient sinking funds to do the immediate Section 20 works
- PPM indicates sinking fund contributions should remain as they are (2024 levels) – for next 5 years
- Aim to avoid further increases but some compromises needed
 - Main external re-decorating work for CP is now planned for 2028 and RSH for 2029 (7 years since last done)
 - Internal re-decoration delayed 2029 & 2030
 - Tops ups internally and externally done in meantime if accessible
 - Older carpets in CP will need to last another 5 years. But can do deep clean

Sinking Funds

- We collect regular amounts to build up funds for major works and big repairs
- E.g. external redecoration is a huge cost
 - Scaffolding necessary at rear and drives higher costs
- We spend some of the funds each year – e.g. door entry system, fire door upgrades
- So, funds are topped up every year
- A balance between collecting funds over the years vs one-off large payments in a single year
- The PPM and sinking fund contributions are working documents
 - They are not fixed - they are reviewed every year but cover next 5 years



QUESTIONS?