

Rivermead Court Limited (RCL) AGM

Tuesday 7th June 2022

Directors Present

Mr T Hackett (Chair) (TEH)
Lady Fowler (FF)
Mr K Bedell-Pearce (KBP)
Mr T Soane (TS)

Mr P Wentzel (P JW)
Mrs D Richards (DR)
Mr P Green (PG)

In attendance:

Mrs A Isaacs (AMI)
Ms H Heer (HH)
Mr J Smith (JS)

Mr I Gilbert (IG)
Mr A Wigmore (AW)

1. Introduction by the Chairman, Tom Hackett

- The Chairman welcomed all residents and guests present, noting that the Chairman's statement and accounts had been issued a month earlier. The Pipework project and Lease extensions that has dominated everyone's time has finally got underway. Construction by Price Building Services (PBS) is proceeding as planned. The lease extension offer was launched in October in order to ensure that funds are available for the pipework project. Discussion regarding the redecoration of the lightwells, Centre Block, North and South elevations of the East and West Blocks are underway. The lightwells redecoration had been put on hold in anticipation of the installation of the new pipework. Faraday are reviewing the condition of the North and South elevations as the Board have a concern regarding the immediate impact on the budget and the service charge by increases in gas and electricity costs. The energy contract comes up for renewal shortly, initial indications show that it will be significantly more than was budgeted for 2022. It is hoped that prices will revert to reasonable levels. The Climate Change working group are looking at options to reduce energy consumption.
- Everyone was invited to the Jubilee Summer Party as previously printed in the last newsletter.
- On behalf of the Board, gratitude and appreciation was shown for the devotion to duty for the staff and Anne Isaacs.
- Ian Gilbert, Faraday, will take on a more supervisory role and his front-line duties will be taken up by Harpreet Heer.

2. Presentation and Questions by the Chairman of the Finance Committee - Keith Bedell-Pearce

The focus of the Finance Committee for the 2023 Service Charge is mitigating the impact of inflation and unprecedentedly high energy costs.

Mitigating Inflation

- Rigorous control on day-to-day operating costs
- Continued focus on value for money on all purchases from small individual outlays to big ticket items and annual service contracts (lift maintenance and insurance)
- Looking at new ways of doing things particularly using the digital tools now available while still maintaining service levels and the quality of living in RC as far as possible

Mitigating Energy costs

Short term measures

- For energy contracts, lock-in most competitive price for the next 12 months (with gas, this will be through a professional energy broker and for electricity through Faraday bulk buying)
- We will be taking expert advice in looking at all options to reduce our gas and electricity consumption.
- Disconnecting services on old hot water systems no longer needed

Longer term measures – both costs and climate change imperatives

- Solar panels on roofs for base electrical load, e.g. communal water pumps
- Installing insulation for roof spaces
- Encouraging double glazing when refurbishments take place
- Switching away from gas boilers in the longer term.

However the stark reality is that with Rivermead's combined energy costs in the 2022 budget at £240,000 which is 18% Service Charge, this energy cost will at least double or even more for 2023. This of course will result in a consequential major impact on the SC. We will, however, do our level best to mitigate the financial burden for flat owners but in the short term, unless energy prices for one year forward contracts have a major downward correction in the next couple of weeks – which is highly unlikely- the other measures will only have a marginal impact.

3. Lease Extension – Fiona Fowler

- Nearly everyone has accepted the offer to extend their lease, the progress has been slower than expected. The land registry did send a large number of incorrect leases which did not help. Some have been held up by mistakes in drafting. The audience were thanked for their patience. It was hoped to be finished by April, which has now been extended to the beginning of July. Residents were advised if they are using a solicitor that they were to continue to do so. Those who had received documents, were urged to return the documents so that they could receive their new lease.
- Acknowledgement will be sent from Bishop and Sewell to confirm that your lease has been sent to the land registry.

4. Further Questions

- See below

5. Resolutions

- A shareholder expressed opposition to the re-election of Thomas Hackett as a director as he considered that the correspondence that he had with Mr Hackett on the subject of keeping a former assistance guide dog was contrary to current legislation. The Board agreed to seek legal advice and respond to the shareholder's concern.
- There was no opposition to the re-election of Thomas Hackett as Director
- Approve the appointment of Weldon and Turnbull and give directors authority to approve the auditors remunerations – unanimous vote was put forward.
- A note of thanks was extended to all the Board and committees that make Rivermead the place that it is, thanks to all the committee we could not manage without you.

6. Questions from the floor

Bobby Baddeley - Flat 153

Thanked the Board for the work that they do and asked how the Board and residents could ensure that people know when noisy work is to take place.

Also why were the rules changed to allow contractors to take their lunch, quiet time between 12 to 1.00 rather than 1.00 till 2.00pm?

Response from Peter Wentzel:

Contractors start their day at 8.00am and by 12 noon are tired and hungry. Therefore, it was agreed to change the quiet time to 12.00 till 1.00pm. If we reverted to the later quiet time the net effect would be less work done as contractors would in effect take a two-hour lunch break. This would result in greater costs and delays in completion of works to flats.

Rose Osbourne – Flat 115

Requested that the minutes of the AGM be circulated after the meeting in the interest of transparency and for those residents who are unable to attend. She had been unable to access the 2021 AGM minutes in a timely fashion.

Response from Tom Hackett:

Minutes will be circulated and will be available on the website.

Bill Babbie - Flat 23

What benchmark has been set for investment managers with regard to the performance of the investment portfolio?

How is performance measured?

Response from Keith Bedell-Pearce:

The benchmark set is a minimum of 6% over 5 years, this is set against a basket of similar funds. The Rivermead Court fund is not proprietary and has traditionally over performed.

The Finance Committee looks at the total return by sector every month, and is currently happy with the level of performance.

Carol Ferguson – Flat 101

Regarding any surplus funds, are there any tax liabilities? With the gains on the monies from the lease extensions will these be taxable as profits?

Response from Keith Bedell-Pearce and Blue Peak:

There are significant tax losses and there are other losses that can be offset against Corporation Tax.

At the end of the day there will be some small tax charges. There has been modelling of the tax benefits over the life of the pipework project.

Corporation Tax is a fact of life we must live with.

Simon Bailey – Flat 194

Questions about the annual accounts; the increase in the cost of insurance, is it to do with the building? What is the reason?

Response from Keith Bedell-Pearce:

Both is the answer and there has been significant hardening of the insurance market. The Terrorism element of the insurance has been separated from the overall policy and insured by another provider giving RCL a significant saving.

The costs of the CCTV, can we be assured that it is working and can be an ongoing investment?

Response from Keith Bedell-Pearce:

Yes

Water Hygiene costs, will these decrease with the new pipework? Are the costs for legal and professional fees related to the pipework project?

Response from Tim Soane:

Yes, the costs will go down for water hygiene once we have switched to the new system, and yes the fees for professional services relate to both the pipework project and the lease extensions.

Harriet Andjel – Flat 197

You mentioned solar panelling, I am concerned about the lights in the corridors being left on all day and the outside lighting. Why are these lights not on sensors?

Response from Tim Soane:

The lighting consumes very little power, it is already set at the lowest output and is a requirement for fire regulations.