

## **RIVERMEAD COURT LTD**

### **MINUTES OF THE AGM**

**Tuesday 4 June 2024**

Started: 18:35 Hrs

#### **Attendees:**

91 attendees, representing 60 flats. 9 proxies.

#### **Welcome:**

Tim Soane (TS) welcomed everyone to the AGM. He described the running order for the meeting.

#### **Formal Business – Tim Soane**

- 1) The Directors' report and the financial statements for the year ended 31<sup>st</sup> December 2023 and the report of the Auditors thereon were received and adopted unanimously.
- 2) All those present agreed to re-elect Lady Fowler as a Director.
- 3) All those present agreed to re-elect Keith Leonard Bedell-Pearce as a Director.
- 4) All those present agreed to re-elect Peter Gilby Green as a Director.
- 5) All those present agreed to re-appoint Wellden Turnbull Limited as auditors.

#### **Finance Summary – Nick Green**

Nick Green (NG) presented the slides to the AGM.

Major works fund shows a large surplus but there will be a lot coming up in 2025 and also a review of the costs is being carried out currently via a 12 year capex plan pulled together by surveyors.

There have been some small overrun costs in the year, but savings that have been made also meant that the deficit is to be offset against the major works reserve – as previous years.

Heat & Water in budget. These have increased due to large Gas price increases across 2023. Insurance has increased a lot over the last year also and KBP will be speaking about this later on. The Blue Peak costs have also increased the overall spend, but RC are hoping to get the overrun back from the Previous agent, Faradays – this is not a certainty, but the Board are pushing for this.

Major focus this year is to get a much tighter focus on costs with JCF.

Income was £100k more in 2023 to 2022. Expenditure was very limited last year, mainly with just the lightwell projects carrying on. In 2025 Scaffolding will be needed for the central block, so this is being carefully looked at with costs and also looking at this along side the capex being drawn up for the entire estate.

For longer term, NG said we need to understand that we may need to move off gas supply which could mean a large investment, but that is for the future to consider. This is one of the reasons why it's important we keep a healthy Reserve so there are no large calls for money in the future.

NG wanted to thank all the team at Blue Peak, Weldon Turnbull and now JCF for the huge amount of work put into the year end accounts. Rivermead have continued to suffer from 'overhang' issues from a difficult transfer from Faradays to JCF, but we are in a much better position to move forwards.

NG asked if anyone had any questions for him re the Finance?

F175: Mr Charnaud: If RC are looking to move away from Gas, why are we doing the HIU investments?

Michael Stevens – said the correct solution will be 'district heating' in the future. This was a major factor in the decision to keep the localised / central system that we have now. RC are aware that in the future there may be district heating networks locally, in the Borough, and could then use that system. An alternative may be to take heat out of the Thames River, but that is way off for now. NG confirmed that despite whatever system is done in the future, the pipework going in for the HIU's will still be used/needed so it is not a waste of funds.

### **Insurance - Keith Bedell-Pearce**

Keith Bedell-Pearce (KPB) presented to the AGM his work over the past year on Building Insurance.

The Lease states the cost of Building Insurance has to be covered by RC and they are to insure the building with an 'office of repute'. RC use Ecclesiastical currently. Insurance premiums for flats has gone up (all over Country) very significantly over last 3 years, and reinstatement values also reflect building costs inflation. In addition, there is of course the perceived increase in Risk, ie: Grenfell Tower. KBP noted that it is a very thin market for high value blocks of flats currently.

Building Insurance claims Excess – RC have had a good history in the past 8 years, with only 19 claims in 8 years with yearly average being £3,300 for each. However, In 2017 there were 3 claims of £50k each. Then in 2021 there was one large claim which was for over ¼ million pounds, this clearly had an effect on the premium and increased the claims excess then from £5k to £25k which is where RC is now. RC looked to place the Building Insurance with others to save funds, but Ecclesiastical were the only ones willing to keep RC right now on full cover.

*Why so many leaks?*

KBP noted there was no single cause but here are some of the reasons:

Plastic pipes with re-circulating hot water, bad workmanship, shower pumps, other appliance connections, defective sealant in showers and bathrooms. This is why RC are looking to make it mandatory to change any plastic pipework found fitted in the incorrect places which may have a high risk of leaking.

KBP noted that the first line of defence with this is – prevention!

*Who is Liable?*

KBP said that the Lease is clear. It's the leaking flats owners liability should there be a water escape from their flat. Pre 2020 there was some inconsistency with smaller value claims and some were paid from Service Charges. This was not fair and is no longer the practice at RC. In 2020 RC Board implemented a policy that 3<sup>rd</sup> party damage claims were a matter to be settled between the affected parties. This was notified to Leaseholders in the publication of the 2020 guidelines and newsletter. The newsletter also included a piece on Public Liability cover in Leaseholders Home Contents insurance cover.

*Present position of claims:*

Ecclesiastical have confirmed that their cover includes all claims of water escape even if it is from flat owners' pipework. But, Public liability is still recommended to see if it will cover the Building Insurance excess as there is an exposure of £25k currently for each and any claim. BUT, the Board are not aware currently of any successful claims on Public Liability insurance, and would state the matter has to be taken to court to resolve. KBP Said there may need to be a review of how we cope with the exposure of the £25k excess that we still currently have. RC have a new broker instructed via JCF (Insurety). Their CEO, Rob Mayo, has a direct relationship with Ecclesiastical and has been able to get confirmations on what cover RC exactly have. RC are working on trying to secure a lower excess for 2025 at renewal and will be working on this from early Autumn. RC Finance committee are also looking at a possible group 'self-insurance' cover but this is work in progress and has some complications to be able to carry this out.

KBP asked if anyone had any questions for him re the Insurance?

F175 – Mr Charnaud. Said that the claims issue is pertinent to them presently. They are confused currently on who pays for the costs? KBP confirmed it's a private matter between parties (flat to flat) in the first place and should look to claim against public liability but if that fails, and the claim is over £25k then a claim could be looked at with RC Building Insurance.

F101 – Carol Ferguson. Queried plumbing and the mention of plastic pipes. They noted these are underneath somewhere in the flat, so should they get someone in the tell if they are plastic or not – what do they do if hidden? Also, the kitchen taps have had issues with blockages coming up into the tap from the system??

Micael Stevens(MS) said that plastic pipes are possible issue, hence why the survey was sent out recently which the Board are following up on now. These issues are largely a hot water circulating issue ie: towel radiators left on constantly will be an issue. With regards to 'bits in water', that does happen to some extent with any system, but usually a filter in the tap picks up the particles and it is important to clean your filters regularly.

F49 – Michael Young. Have a disaster as they flooded a number of floors. The found pipes put in 9 years ago were running permanent hot water and had gone brittle. TS confirmed the issue is Polybutylene pipe which should be used for cold systems or hot water direct feed, not ones with inhibitors. So, at RC the towel radiators and systems are on constantly and therefore plastic pipework should never have been installed and used. It is against British standards regulations.

F87 – David Hooper. Asked if it is worth the Estate considering purchasing insurance for the excess of £25k?

KBP confirmed they have already looked at that and spoken to a number of brokers. There is no such product on the market to cover the excess, so this is not an option.

F43 – David Morris. Said they felt this was all very good news tonight as flats are confirmed now as being insured above the excess as this was VERY concerning that he could possibly be asked to pay for a £500k repair bill. Also, when contents are insured, it's worth taking out a legal protection on the content insurance as a judgement may be required and the cost is very low for this cover to be taken out. F43 also gave a vote of thanks to the Board for their works as he is aware of the extensive work done.

TS asked for a show of hands for those who may want to have a 'self-insured' £25k cover? Generally, the room seemed to be interested in this type of cover depending on what the exact cost to them would be and what exactly is covered.

F115 -Christopher Osborne. Stated that £25k is a lot of money for any Leaseholder to find if there needed to be a claim.

F132 representative Tricia Laurie for John Rogers. Noted they had looked at insurance for her clients, they can't get cover under Public Liability. Also, mentioned that a system could perhaps be fitted on 'flows' so if there was a continuous flow (ie a leak), it will shut off the water to that flat, thereby reducing or preventing extensive damage. MS said that this is something that has been looked at but not sure it will work with the way RCs set up.

F100 – Joanna Baldwin. Noted they were confused about the whole insurance situation ie the subjects raised are for the LH to hold public liability cover, talked about plastic piping but not suggested a solution. TS confirmed these are all linked, and RC are very mindful of the issues and are explaining to insurers that RC are doing all they can to stop leaks in order to bring Insurance premium down and the excess. TS confirmed again that a survey was sent out a few months ago to all owners to know where plastic pipe may be. RC have now flagged some flats already that are being asked to change the pipework to stop potential issues in the future.

F125 – Sandra Smith-Gordon. Stated that if RC are thinking about Self-insurance, will it be taken into consideration that top floor flats are likely to 'wet' more people than on ground floor? TS said yes, however top floor flats benefit more from roof and GF don't use lifts and the Lease does not give an option for lower insurance for some vs others.

F111 – Mike Dudgeon. Mentioned they could not get liability insurance, therefore supports the self-insurance.

F112 - Lady Loder. Asked if you buy a flat how do you know what someone before you has installed? TS said there are some signs that can show plastic pipework. MS confirmed that the survey outlined this and said if concerned to speak to someone at Rivermead and that someone can come and have a look for LH if needed.

F133 – Andrew Hayes. Asked if MS could give results of the survey? MS apologised but he didn't have the data with him. He can advise that the response rate was 60% with 6 – 10 flats that needed to be looked at immediately. Some of those however have been eliminated as recently renovated under a licence.

NG asked the room for a show of hands if there would be any objections to looking at Self-insurance for the £25k excess. No one present showed an objection to this.

### **Pipework Project – Michael Stevens**

MS gave his presentation. Project has been completed on schedule and paid for by the Lease Extensions done previously. Total cost £4.1m, net income from Lease Extensions was £4.5m so surplus of circa £400k some of which will be used in future years.

Main contract was for £2.7m and included £300k for variations. RC are buying the HIU's so they own those and have also paid consulting engineers and quantity surveyors who kept a tight handle on the projects and funds. All but 2 Leaseholders did extend their Leases and therefore it gave the funds to be able to carry out the works. With careful planning RC have also managed to ensure low tax bill circa £234k!

So RC Leaseholders now have 10 years to connect. We currently have 28 flats connected to the HIU, 42 flats ready to connect (total 70 flats) in 5 years. So hopefully we are still on track to get all completed.

Benefits of being connected to the HIU are you have full management of your central heating system, individual controls, no pumps needed for any floors, pressurised mains water and metered charges.

*If you would like to Connect:*

It does need to be planned, but not technically difficult to do it. RC have a lot of experience now and John Wells who is the RC consultant can assist with any requirements. RC guidance would be to do the connections when you are looking to install a new kitchen or bathroom. Normally, it will mean lifting floors, so that is why it is better to combine future proofing flat with other works you are looking to do.

F101 – Carol Ferguson. Asked if asbestos in the flats causes a problem? MS Said the communal areas with Asbestos were dealt with many years ago. Flats that have not been renovated for many years, may have asbestos, but not many will be like this now. They also asked if it costs less to run the Heating system on the HIU compared with the 'communal costs' currently being billed to most. MS said it probably won't make a huge difference unless you are heating the flat a lot – then it would be more expensive, or of course less if you leave heating turned right down often.

F98 – Susan Heming. Very enthusiastic about new system. John wells has been very helpful but noted that the installation hasn't been as straightforward as first thought. The software is complex to run and no one seems to understand how it works. The flat lost heat on Saturday and called the Porter's Lodge for help but they didn't know who to call. It was noted this is a top floor flat and found pressure can only be raised so much as other issues elsewhere, not sure if this is a systemic problem.

MS said the software is in the HIU and not so many have been installed and there was an initial issue with software but this is now fixed. Pressure issue, there was an initial issue to balance out, but 2 weeks ago MS went round with Engineers to find regulation valves and should have now resolved this issue. TS confirmed have set 4.5bar pressure currently as didn't want to put too much pressure on old pipework at this time. TS said it could be considered to raise the pressure.

TS said will take away the issue re out of hours and porters calling on HIU issues.

F194 – Simon Bailey. Wanted to congratulate the pipework committee past and present for coming in on budget and times.

F47 – Mr Ramirez. Is connected to HIU. Contacted John today as have a leak, lost central heating and power. Feels there is instability on heat in water temperature. John has been 3 times to adjust the software and is continuing to visit to get resolved. Wanted to know when the calculations will be made for the new meters already fitted.

MS the calculations to bill each flat is complicated. Heating charge will be estimated as traditionally and will be adjusted retrospectively at the end of the period which will be made on your next Service Charge demand. But that will only commence when you have 1<sup>st</sup> Full half year as metered and is adjusted 'in arrears'. So, if March 24 connection completed, then will get normal charges July 24 but it will then be adjusted with real data from end of year 2024.

F124 – Paul Weldon. Still struggling to understand the concept behind the HIU. MS said RC take total costs and break them down. The Heat charge will still be charged per lease percentage, but the ones on new system will be charged in fixed charge and then some variable costs, it's very complex calculations. TS Says so far those metered have quite a wide variation of charges, some will pay more, and others will pay less if not used heating much more. TS Says if you are away for long periods of time, then it may be worth considering.

F5 – Mr Naficy. Purchased in April 2024. Happy to be part of the community. He noted there are 9 people on the Board. He has dealt with JCF and felt the Board were taking on more than they should over what the Managing Agent should do. Feels RC are 'letting JCF off the hook', feels there are lots of teething issues still to be ironed out.

TS said that RC changed managing agents largely due to lots of shortcomings with Faraday's financial side and surveying. TS felt RC is much better served now by JCF but JCF are also limited to the information provided by Faraday. Both the Board and JCF are pushing hard to resolve outstanding handover issues.

Mike Dudgeon – expressed a big thank you from him to Board for all their hard work.

TS wanted to thank Mike Dudgeon and the Estates Committee for their work on the Security Project. He also thanked the Staff for all their work.

Meeting Closed: 19:54 hrs