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|  | **Residential Management Company limited by guarantee with no shares****Co no.:**  **04659245 Registered in England and Wales Registered office:**  c/o GH Property Management Services Ltd. Chiltern CourtSt Peters AvenueCavershamReadingRG4 7DH |

VHMC Directors Meeting

**Meeting Details**

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| **Date** | 16th Feb 2015 | **Time** | 19:00 | **Venue** | AECOM Basingstoke |

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| **Present** | **In attendance** | **Absent / Apologies** |
| * Martin Edge
* Wayne Buckley
* Simon Hirst (Phone)
* Dave Griffiths
* Jaz Parmar
* Matt Garvey
 | * Andrew Copley (Chaneys)
 | * None
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**Minutes of Meeting**

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| **Item** | **Description** | **Action** |
| **1****19:00** | *Approval of Board Minutes** The board agreed the minutes of the meeting held on 19th Jan.
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| **2****19:05** | *Matters Arising: Electrical Lighting – MSCP & Undercroft Parking** AC confirmed that 4 other potential suppliers had been approached to provide quotes for new lighting within both the multi story (MSCP) and undercroft car parks. Of these, 2 had declined to tender, 1 had responded in full (JD Electrical) and a response from the 4th was expected by c27th Feb.
* Prior to the meeting, ME noted that the renewal project was forecast to return a positive RoI to members within 3 years as a result of reduced electricity consumption and lower maintenance costs.
* AC confirmed that due diligence had already been completed on the wholesale cost of materials versus the quote provided by JD Electrical (Ref Q142). AC confirmed that the due diligence had shown the price of materials to be competitive.
* The board agreed that subject to JD Electricals quote being less than the alternative quote for like specification (above), then work could commence without further board review. In line with agreed board policy, the board noted no work should commence until the additional quote had been received and reviewed by Chaneys.
 | * On receipt of additional quote, AC to summarise key variances between quotes and circulate to board.
* AC to request best and final price from least cost vendor & plan and agree works schedule.
* AC to circulate final specification, schedule and costing to board members prior to commencement.
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| **3****19:15** | *Matters Arising: Site Staff – Len Clark** AC confirmed that following discussion with JT, LC had noted his intention to resign through ill health.
* ME proposed an ex-Gratia payment of £1.5k gross to LC in recognition of his previous hard work & his demonstrable commitment to VHMC.
* WB noted that the payment of an ex-Gratia payment would not release VHMC of any future legal obligations wrt LC past employment. In order to mitigate any future risk to member interests, following discussion, the board agreed that the ex-Gratia payment would be conditional on LC signing a compromise agreement.
* It was agreed that GP would be asked to draft a compromise agreement on behalf of VHMC and that VHMC would, as required by statute, commit to funding independent legal advice to be obtained by LC. The board noted the total cost of legal support (VHMC & LC) would likely be iro £1-£1.5k.
 | * AC to engage GP (Boyes Turner) in drafting compromise agreement.
* AC & JT to outline board proposal to LC and advise LC of rationale and next steps.
* AC & GP to forward agreement to WB who will review & approve on behalf of VHMC.

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| **4****19:25** | *Matters Arising: Legal Update: Davison** AC confirmed that the legal position regarding CDs existing parking space was as the board had previously understood noting that whilst informal arrangements could be agreed between members, VHMC remained obligated to charge members service fees on the basis of legally enforceable leases. Based on guidance received by AC & indirectly GP, the board agreed that the relevant charges currently disputed by CD were to remain on CDs account and that said charges should be pursued in accordance with the agreed payment policy previously communicated to all members.
 | * No further action required.
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| **5****19:30** | *Accounts Receivable Update:* For arrears pre-FY15* AC confirmed that service charge arrears had been reduced by a further £50k, positively impacting VHMC current cash position.

*For FY15:** AC confirmed that a significant number of members had opted to pay service charge demands in full; a large number of members had also paid in accordance with the flexible payment policy communicated to all members.
* In addition, AC noted that a number of members had initially failed to make any payment but following reminder letters being issued, the majority had subsequently remitted payment.
* AC outlined a number of special cases worthy of the boards attention:
	+ A single (owner-occupier) member had been granted hardship status with member-specific payment terms now agreed.
	+ A single multi-unit investor had their application for hardship status refused. The member has responded to contact from Chaneys.
	+ A single multi-unit investor failed to pay the full value of the first 1/3rd of service fees due leaving an aggregate shortfall of c£1,200 across all units. The member has responded to contact from Chaneys.
	+ A single multi-unit investor had continued to pay by monthly payment plan. The member and their agent had failed to respond to repeated contact attempts made by Chaneys.
	+ 6 individual members had continued to pay by monthly payment plans, therefore failing to pay the full value of the first 1/3rd of service fees due. Each of the members have responded to contact from Chaneys.
	+ AC noted that Chaneys had proactively contacted each member where the value of payments received were insufficient to meet the terms of the agreed payment policy; where members responded, the member had been offered a final 7-day grace period in which to bring accounts up to date.
* The board confirmed that in-line with the agreed payments policy, members with prior year arrears and those who had made no payment thus far for FY15 would be passed to Legal.
* The board further agreed that, with the exception of the approved hardship case, any remaining members who fail to pay the first 1/3rd of charges in full following the additional 7-day grace period (above) would also be passed to Legal.
* The board noted that where a members case was passed to legal, the full service charge fee would become due (thus mitigating the risk of recurring legal action within a single year). Hardship cases will continue to be reviewed by board members on a case-by-case basis as required.
* The board noted that for 2016, the board expectation remained that 100% of 2016 service charges would be due on 1st Jan 2016 (as per the terms of lease.). The board agreed members would be notified of the planned lease enforcement as part of the proposed estate mail out.
 | * AC to circulate Accounts Receivable report & summary position (noting number of members in default & value of default).
* Subject to due diligence (i.e.: leaseholder address validation & collation of documentation) AC to pass details of members in arrears to GP for legal progression.
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| **6****20:00** | *Accounts Payable Update:* * AC confirmed accounts payable were running to budget with no exceptions to report.
* ME noted it was unclear what payments had been passed by GH in the final two weeks of their engagement - SH committed to reviewing accounts payable to understand what if any payments had been made & to reconcile those payments back to relevant documentation where required.
 | * SH / AC to circulate FY15 tracking report to board ahead of next months meeting.
* SH to review GHP Accounts Payable for Dec ’14 onwards.
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| **7****20:15** | *Finance Report** *Cash management:* The board discussed proposed cash / asset management approach with AC. The board agreed: to transfer £400k into a 1.75% fixed rate long term savings account immediately; for SH to review cash flow forecasts for 2015 and propose any additional funds to be moved to long term savings; for SH to agree with AC apportionment of remaining funds across variable notice instant access accounts.
* *Water Deficit:* The board discussed water collection deficits. ME noted that there was significant variation in the value of credits/deficits to be applied to member accounts with some members likely to incur a charge in excess of £1k. The board noted that the prior year under collection had to be recovered regardless of the challenges associated with communicating the scope & scale of the long-term issue. Prior to confirming the value of individual charges to be raised, the board agreed to calibrate highest and lowest 10 meters to assure accuracy. The board agreed that subject to calibration, special payment terms for the recovery of water deficits would be agreed the next board meeting.
* *Insurance Costs:* AC confirmed freeholder management had been approached regarding alternative approaches and coverage levels for buildings insurance.
 | * Calibration of “highest/lowest 10” water meters to be completed ahead of next meeting.
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| **8****20:35** | *Operations Report** The board reviewed the Winterthur Way action Items log dated 16/02/15:
	+ Repairs: AC noted that with respect to AOV, FAFS service was due for renewal & that given on-going concerns regarding performance, an alternative supplier would be sought.
	+ Maintenance: AC noted that no formal works schedules had been documented for any of the existing maintenance contracts (grounds, cleaning etc.). Formal specifications were now being drawn up against which new tenders (inc an in-house equivalence costing) could be sourced.
	+ Renewals / Projects: AC noted that project proposals need to be scoped & prioritised; AC noted that the only ask received from members as a result of the recent mail out was to complete external cleaning.
* Staffing: AC noted he had a 121 discussion planned with Jeff for this Thursday during which AC would outline future expectations for Jeffs role; JP agreed to follow up on the discussion with Jeff to reinforce the boards commitment to AC & Chaneys management team; AC confirmed recruitment for the estate manager was in progress and that WL would continue to act in this capacity prior to any appointment.
* Project Governance: AC noted that recent conversations between MB (Vivid) and Chaneys had been constructive and of value. AC recommended retaining MB to continue to pursue & complete (i) external cleaning (inc at height maintenance) and (ii) translation of the planned maintenance schedule into a costed / actionable schedule for 2015.
* Project Costing’s: AC noted that a number of projects, including external clean, would likely be subject to a section 20 order and that the extent of activity could range from clean, clean & repair at height to clean, repair at height & renew/decorate.
 | * JP to meet with Jeff following AC 121 on 19/2.
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| **9****20:50** | *Member Communications** AC confirmed a revised estate handbook had been draft. The board agreed to withhold distribution of the estate book pending the appointment of a new estate manager (who will be tasked with its enforcement).
* The board agreed that the handbook should be sent as part of a broader communication including:
	+ Introduction to estate team
	+ Estate rules & enforcement
	+ Proposed improvement projects for 2015
	+ Dates & times of member & residents forums
* The board agreed to target a comprehensive mail out in March.
 | * AC to distribute revised handbook to all board members for final review.
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| **10****21:00** | *Project prioritization** MG noted that project proposals for 2015 had been consolidated and distributed ahead of the meeting.
* The board discussed each potential project, its likely scope, potential board ownership and an aspirational timeline for execution.
* Based on this discussion, the board agreed a broad sequencing of priorities for 2015.
* WB agreed to document the output from the discussion & circulate to all members for review and approval ahead of the next board meeting.
 | * WB to document project briefs & appropriate project tracker.
* WB to circulate all project documentation to board members.
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| **11****21:30** | *AOB** None noted.
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| **12****21:35** | *Next meeting** The meeting closed at 21:30
* WB confirmed the next meeting was scheduled for 16th March @19:00
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