

## Directors Meeting

<b>Date</b>	25 <sup>th</sup> July 2022	<b>Time</b>	18h30	<b>Venue</b>	Zoom
<b>Present</b>	<b>In attendance</b>			<b>Absent / Apologies</b>	
<ul style="list-style-type: none"> <li>Martin Edge</li> <li>Stewart Smart</li> <li>Serif Omar</li> <li>Wayne Buckley</li> <li>Matt Garvey</li> <li>Jaz Parmar</li> <li>Oliver Kirkham</li> </ul>	<ul style="list-style-type: none"> <li>Sarah Morrisen (Chaneys)</li> <li>Richard Duncan (Chaneys)</li> <li>Lucy Broadfoote-Brown (Chaneys)</li> </ul>			<ul style="list-style-type: none"> <li>James Buckley (Chaneys)</li> </ul>	

### 1. Minutes of Last Meeting

- Health & Safety assessments have been put in progress we are awaiting a date.
- CCTV for Oak bin store the quote is just under £3,500 for two CCTV cameras we have gone ahead as it is the bin store that has household waste dumped regularly and is currently costing a fortune in waste management so we will police it once cameras are installed which will be early September.
- Accounts for 2021 all queries now answered, and accounts should be with us by 1<sup>st</sup> August 2022 which will be shared with all Directors. Apologies we do not have them today.
- We have instructed the site guardian to start 01/08/22 but to keep cost down we have instructed them to come every other week of the 6-week holiday and every other day on the weeks they come at different times.
- June 2022 Minutes agreed.

### Action Items

No.	Description	Action	Due
1			
2			

### 2. Cladding update

- SS** Does Chaneys have any legal advice regarding leaseholder's selling once the work is completed, RD does not feel legal advice is needed as it is down to the entities selling the apartments and when people buy and sell, they have their own legal advisors as Chaneys are there to provide as much information as possible.
- Chris Kensitt from Ridge undertakes his site inspection every Wednesday, on the last 3 RD has joined him which has been helpful. Things have been positive with laborers on site and cladding continuing on Elm and on Cherry as of last Wednesday they started to remove test panels of the cladding to see what was behind them, it seems quality of materials is much better than on Elm, even the mortar is better and there is no wooden structures all metal so less additional works so we should remain on program for Cherry.
- In terms of progress on Elm, Ridge are chasing StanLil for program of works to give us a guide on the end date for completion. The current program date for completion on Elm is approximately 4 weeks' time, but Ridge indicated additional delays of approximately 5 to 6 weeks, StanLil have not confirmed this. Reasons for delays being StanLil are having difficulty with labour. There is only one completion date when all 3 blocks are completed so if StanLil over run on one block they can make up time on another block, but should they overrun the end completion date then it is StanLil's problem from a financial perspective.
- RD** was involved in the latest zoom call between the Quantity Surveyors being Alistair of Ridge who makes sure the valuation and the expense of work that StanLil are seeking to obtain is appropriate for the works. Purpose of call was that there are 3 main items of works that are in dispute, and they are substantial works. Some are for StanLil's costs, but some costs are higher than they should be. Back in 2021 the original contract said program for the whole entire works would be a 34-week period from start to finish. This was based on Program 8. Ridge questioned this period as they thought it would take longer at that point StanLil revised the program and created a new program which was 46 weeks. The whole contract is based on a single cost and is broken down on a weekly pro-rata basis, so a 36 weekly pro-rata is going to be higher than a 46-week pro-rata. The reason why it is important to us to have the longer program is because the program has gone on some of this down to StanLil but also down to the fact that it took us much longer to secure funding, additional works required when the cladding came off. The reason for the dispute is effectively StanLil have indicated that they

are not willing to recognize the longer term of 46 weeks because the original contract was 36 weeks, the amended program that they signed off shows that it will be longer in time. One problem is the Corporate Director from StanLil is no longer there and StanLil do not wish to recognize this longer duration. They are definitive in the fact that the contract is 36 weeks and if Ridge wish to argue this StanLil will take it to adjudication which means we require a third-party arbitrator to make that mediation decision for the parties. There is no advantage in us going into to a dispute as this could elongate the program even longer also going into adjudication the outcome is very unpredictable. Option 1 – Adjudication Option 2 – we meet halfway which is an additional 6 weeks the costs are around £20,000.00 per week. StanLil have admitted they have had to bring more staff to this project than initially thought, and they have increased their cost and expenses to reflect this. StanLil need to prove that their costs for extra staff with time sheets and full evidence as to where the staff worked. StanLil recognized they need to provide more evidence; they cannot claim staff are on a PAYE and time sheets not recorded. The next item was in relation to additional cost and expenses of works undertaken around the additional fire barriers and the additional expense of cladding required. The variation in the additional expenses totals approximately an additional £300,000.00, when StanLil were asked for Proof, they provided one e-mail from a company that has nothing to do with the construction industry which is highly insufficient, we need considerably more proof. StanLil have said they are trying their best to secure additional quotations but are struggling with comparable evidence which would satisfy Ridges sign off. We need to apply to Homes England for a variance meaning we need more funds from Homes England. We can only do this when Ridge sign off when StanLil give us the appropriate expense amounts. As things stand Ridge advise to consider meeting StanLil halfway on the program of works on the basis that if we can avoid adjudication on the basis StanLil give us a quick reply on the staff expense and costs.

- **ME** This is a complex situation; our funds are coming from Homes England, and we have no idea what extent Homes England will entertain a deal when the outcome to us is unknown. Shortly we are going to be out of funds with Homes England as we are paying StanLil some extras already. RD has taken on a high-level conversation with the chief executive of StanLil and he has informed them that if they do not give us the figures we will run out of money, and they won't get paid.
- **WB** What additional costs are we looking at if we meet StanLil halfway? RD the pro-rata basis we are looking at £20,000.00 per week if we agree StanLil's agreement up to the 46 weeks that would be an additional cost that StanLil would have to cover up to £240,000.00. If we do not fight this, then this is for us to pay but meeting them halfway is approximately £120,000.00 we both would have to fund. We need to know if this is illegible under the Homes England funding or would this be leaseholders. We anticipate that most of this money will be eligible under the Homes England funds. We could ask leaseholders for additional emergency funds. Our Homes England contact has indicated that the variation application for costs rough guidance is 6 to 8 weeks. **MG** feel we are in a poor negotiating position but feels getting additional funds from leaseholders may be our only option. **ME** We need to wait until we get some understanding as to how Homes England is going to respond to these requests. We need to continue to put pressure on StanLil to give us the exact numbers then put this to Homes England. We do have VHMC reserve funds rather than asking the leaseholders. Another reason not to ask leaseholders the Home Office during June/July put out legislation about what leaseholders are obliged to bare in cost of remedying defects in the building which they bought and in almost all situations' leaseholders are indemnified against paying any extras themselves, what legislation is saying is that the freeholder (the owner) of the development is ultimately liable for the essential costs of remedial works to fire related defects.
- **SM** we have feedback from our arrears Solicitors to say due to new legislation they cannot recover any cladding costs from leaseholders.
- **RD**, we have had similar problems on other sites, but Winterthur Way is different, and we need to make Homes England understanding this as Winterthur Way is not a single block and this is the problem when completing the Homes England criteria. We are going to ask Homes England if there is a way to communicate with their quantity surveyor earlier as they do not usually get involved until the variance application has been submitted but we cannot put our variance application in until such time Ridge and StanLil agree with the amount of expense.
- **SM** we are having trouble setting a date for the Cladding meeting could everyone look out for a doodle poll tomorrow with new dates and get back to us ASAP. **MG**, we need to have the right legal guidance and understanding of the new legislation before we go ahead with the meeting, the implications of how it will impact on members and then work out how we are going to tell them. **SM** RICS has gone back to government with a lot of questions from property managers asking if there will be cost to bare by leaseholders, but they have not yet had a response from Government. Gove has gone and things are changing we will have a new leveling up minister either way we will not have rock solid information at this point for the meeting. RD

offered to prepare a summary to share with leaseholders of the Governments message as it stands, this will be movable for some time to come but Important to provide an update.

- **SM** We are still investigating one leak on Elm along with StanLil and Ridge they are doing a water test but the other leaks we are confident have been resolved. **RD**, I visited site with Ridge & StanLil to talk about the guttering as previously we have had an issue in Elm with multiple leaks, we have been working on the basis that our priority needs to be making good the damage and identifying where those leaks came from and there is still on-going conversation as to who and is responsible for the expense of making good. We went over the existing condition of the gutters primarily on the upper floors which StanLil would like to factor in the existing conditioning of the guttering and the coping stones in certain places. There are various reports which do identify various where guttering needs to be repaired and one thing of serious concern is the coping stones in the upper level of the guttering at certain places should have had certain safety features so those stones could not fall off, unfortunately within various locations these coping stones do not have the satisfactory safety features. It was pointed out that now they are loose there is a chance water can get through and create leak further down. We also have a report from Hi-Abseiling to identify that the original cladding that was removed in January has been exposed and the breeze blocks that should have been protected have been open to the elements for many months and StanLil should have done considerably more to protect them. So, in reasoning StanLil are partly responsible for the repairs. These are on going discussions and StanLil have offered verbal financial support for these works. We need to complete the making good and we are working on identifying any other potential leak areas at present. Once we know the full extent of the cost for these works then it will be another discussion StanLil as to who pays for what. There is a plan B in terms of Ridges involvement with this Ridge should have made sure that somebody should have produced a schedule of condition of all the affected apartments prior to the works started, that would have given us evidence as to whether the leaks were there before StanLil started or not. Ridge have indicated that they did ask for this but there is no evidence to indicate that they did so at some point we will need to go to Ridge to pay some of this cost as we were reliant on Ridges experience in these substantial projects.
- Cherry pre-inspections have been undertaken by Lucy & Ryder and two weeks later Richard & Chris both internally and externally, so we do have a much better position. The guttering on Cherry is also in a much better condition than elm. We have a decision to make whilst scaffolding is in place to make some repairs, this would have to be done by StanLil. StanLil have provided 3 quotes to undertake these works now 1<sup>st</sup> Quote to fix everything approx. £105,000.00 plus vat 2<sup>nd</sup> quote to repair the gutters as they stand approx. £31,000.00 plus vat 3<sup>rd</sup> quote to rectify the Health & Safety issues around the coping stones approx. £19,000.00 plus vat all three of these quotes cover the Health & Safety requirements. We do not at this stage want the additional works to prolong the current work timetable.
- **ME** This extra work would only affect the leaseholders of Elm so this cost would fall directly to them, maybe we should be informing the Freeholder regarding this.
- **RD**, We do have a spreadsheet of leaks that have occurred, and we are carrying out water tests on specific apartments. Some remediation work has been done so we have some numbers, we have two leaseholders trying to claim loss of rental during the time we carried out works.
- **SM** SO & SS have raised concerns over the new pigeon proofing as the trial area they have done will not deter the pigeons at all. **ME** StanLil are responsible for the design of the pigeon proofing, but we did convey through Ridge the type of pigeon proofing we would like that we know works so StanLil need to show us their proposal for the pigeon proofing which has not been done. We have also received nothing from Ridge on this subject asking us to approve location of the pigeon proofing.

#### Action Items

No.	Description	Action	Due
1	RD to prepare summary to share with leaseholders of the Governments message	RD	
2	Doodle Poll	LBB	19/07/22
3	Make contact with Freeholder	RD	
4	Pigeon proofing information	RD	

### 3. VHMC Service Charge

- The financials were shared with the Directors.
- The arrears spreadsheet is on the portal for easy access by everyone.
- Regarding the arrears they were looked after by the Accountants department in Reading but Basingstoke portfolio have actually taken ownership of all of the arrears in their entirety and any persistent none payers are with legal, any arrears from the second half demand that are past the 21 day payment have had their first 7 day letter after which they too will be referred to legal so we are fully up to date with all arrears.

Action Items			
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1			
2			

4. Any Other Business			
<ul style="list-style-type: none"> <li>• <b>OK</b> suggested that due to the parking situation on site while the works are going on that we unofficially drop the parking charges on the outside parking areas but not the numbered bays.</li> <li>• <b>JP</b> another option is to reduce the visitors parking from 4 hours to 2 hours to stop the contractors using them all.</li> </ul>			
Action Items			
No.	Description	Action	Due
1			
2			

Meeting ended: 20h30

Signed by Client: \_\_\_\_\_

Date: \_\_\_\_\_