

## Directors Meeting

<b>Date</b>	16.01.2023	<b>Time</b>	18h00	<b>Venue</b>	Zoom
<b>Present</b>	<b>In attendance</b>			<b>Absent / Apologies</b>	
<ul style="list-style-type: none"> <li>• Martin Edge – ME Chairman</li> <li>• Jaz Parmar – JP Director</li> <li>• Stewart Smart – SS Director</li> <li>• Wayne Buckley – WB Director</li> <li>• Oliver Kirkham – OK Director</li> </ul>	<ul style="list-style-type: none"> <li>• Sarah Morrisen – Senior Property Manager (Chaney's)</li> <li>• James Buckley (Chaney's)</li> <li>• Lucy Broadfoote-Brown – Assistant Property Manager (Chaney's)</li> </ul>			<ul style="list-style-type: none"> <li>• Matt Garvey - Director</li> <li>• Serif Omar - Director</li> </ul>	
<b>1. Minutes of Last Meeting</b>					
<ul style="list-style-type: none"> <li>• <b>ME</b> - Last Directors meeting held July 2022 with VHMC Directors and Chaney's approved.</li> <li>• For the second half of 2022 Directors meetings were held between VHMC and Penningtons, without Chaney's present. Pennington's were assisting during a period of precarious cash flow and have been retained. Relevant items from the meetings will be minuted.</li> <li>• Pennington's are not present this evening, VHMC feel that they are not required at this time.</li> </ul>					
<b>Action Items</b>					
<b>No.</b>	<b>Description</b>	<b>Action</b>	<b>Due</b>		
1					

### 2. TPG Acquisition of Chaney's

- **JB** – Trinity Property Group have acquired Chaney's as an ongoing business, the sale completed just before Christmas and the announcement was made 9<sup>th</sup> January 23. The business has been bought as an ongoing concern with business-as-usual. Head office and the staff are all to be retained along with the branding. Richard Duncan and Andrew Copley have left Chaney's and James Buckley will be heading up the Chaney's team as Head of Estate Management. Chaney's suffered when Andrew Copley took an extended period of leave. TPG are going to look at our software, systems, and processes to offer improvements.
- **ME** Invited Directors to ask questions
- **WB** – To clarify that Richard and Andrew no longer have any dealings with TPG and both have left Chaney's. **SM** replied yes that is correct. **WB** from a litigation perspective have TPG done their due diligence where any potential problems might follow. **JB** Yes as far as we are aware, I was only made aware of the acquisition 6 weeks ago, I have had a few meetings with TPG to get an understanding of what they are about and what it means for Chaney's, but I have not been party to any information gathering but TPG are well versed in this and have further acquisitions coming this year. **WB**, I suspect that we will need to introduce one of our directors to their legal team at TPG with a view to making sure they are familiar with what has gone on before and where our current position is. **SM** I spoke to the new Directors and informed them that going forward you would want a meeting with them, and they are more than happy to meet. **WB** feels this could be a fantastic opportunity for Chaney's
- **OK** Who will now pick up the workload from Richard and Andrew regarding our Cladding project and on-going projects? **JB** That will be myself who will support Sarah as I am familiar with Victory Hill, I am also familiar with some of the concerns and grievances, and I will work with Sarah and support the board.
- **JP** Will this impact the relationship with Homes England in any way going forward. **SM** it is business as usual I am confident James will pick up where Richard left off, between myself, Martin, and James we have a good working relationship now with Homes England and StanLil. **JP** Also, will this change impact collecting service charges and dealing with arrears. **SM** No it will stay the same as we really have the arrears under control now.
- **SS** I believe TPG has their own accountancy department does that mean all the accounts should be much easier to prepare. **JB** yes that is the hope and expectation, I have meetings planned with TPG to understand the range of services they can offer our clients. **SS** At a previous meeting when we had accountancy problems a question was asked about any potential liability for VHMC might incur in terms of extra costs and Richard said that Chaney's would pick up any extra costs incurred, are TPG aware of this and will they honor this? **JB** I

am not aware of what specifically they have been notified of but maybe we can agree an agenda for the meeting with TPG, so they are fully in the picture. They are just understanding the business as it is but I am sure within 6 months or so we will see positive changes. **SM** We need a meeting with the Directors and TPG sooner rather than later to go through things.

- **ME** Chaney's are aware that in the last 2 years the Directors have been very frustrated by the Reading office backup systems which James has said will be addressed quickly. We would like a direct meeting with TPG to explain the potential liability that Richard has probably not told TPG about, once we have the main points from our meetings with Pennington's we could use this to meet with TPG, hopefully we will have everything available to meet in the middle of February 2023.

#### Action Items

No.	Description	Action	Due
1	Set up meeting with TPG & VHMC for middle of February 2023	<b>SM/JB</b>	<b>Mid Feb 23</b>

### 3. Cladding Update

- **ME** The current **progress and program** of the work on site, work resumed in the New Year on time on the 3 blocks and this week Chris Kensett circulated his separate monthly progress report for each block. The news buried in the report is that the completion date of December 6<sup>th</sup> for Elm was missed, the completion date expected for Cherry will be missed and the completion date for Holly is also going to be missed. Chris has requested from StanLil a new revised program showing the new completion dates, but the project is not going to be completed by 16<sup>th</sup> March and is now looking like May or June 2023 completion. I asked Alistair from Ridge to check the contract to assure us it provides for liquidation damages in the event of liquidation and the answer is yes it does, but the quantum is there is £1,500.00 per week for late completion which is £500.00 per block.
- **WB** we should be asking regarding the contract terms how fit for purpose they were when they signed them.
- **ME** The contract was drawn up by Ridge we do not have enough information at present.
- **WB** If Homes England end up paying for everything arguably it will be incredibly frustrating for those on site, it is the inability to recover the costs.
- **ME** when we have more information on completion dates, they will be circulated and put on the Website and Facebook Page.
- **SM Progress of variations – Homes England, ME** variation number 1 was paid by Homes England in full and we paid StanLil with only a few days delay. There is no adverse effect. The balance remaining enables us to remain solvent through Dec through to Feb. The next payment to StanLil is being evaluated by Ridge, the amount they have asked for is just over £200,000.00 plus VAT but will be cut back to much less and that is easily payable through our balance of Homes England funds. There were no rejections of the monies requested all was approved. Variation number 2 was submitted in November, I circulated the outcome to the directors last week, we requested £812,000.00 and most of it was rejected. A large amount of it £245,000.00 relates to additional work that Vemco ordered (steel work) which Homes England said was not covered and we need to claim this from Fairview directly. More worryingly they refused another £193,000.00 plus VAT regarding the delayed start monies claimed by StanLil. We are going to appeal this with a resubmission of the claim, should it be rejected again we will get legal representation and keep trying until we get this money back. Homes England inform me that Winterthur Way is the only site in their portfolio which has encountered this circumstance, we are the only Management Company submitting a claim for additional costs based on late start. An amount of £159,774.00 was approved which is made up of additional fees incurred by Ridge, additional fees incurred by Chaney's, and additional fees incurred by Vemco, and will be paid. **WB** my concern remains cash management, cash flow, money in the bank, we had an agreement to make good the reserves before the end of last year something Richard was dealing with, we need to know this has happened to be compliant and we need this confirmed as soon as possible. If the reserves have been made good, then we need to manage the shortfall of £200,000.00 not being paid by Homes England. **ME** I have undertaken to do my own cash flow forecast. The money we are about to receive from Homes England is in respect to claim variation number 1 and number 2. **WB** is that assuming the original end date as opposed to some elongated schedule will add further costs. **ME** It is program number 8 and cost have not escalated since program number 8. We do not see why we should have additional costs. **WB** Would like to be assured that the requirement to make good the reserves happened prior to close of the year. **SM** there is a separate account for cladding, Reserve fund account and day to day operational account but I cannot confirm right now the money is back in the Aldermore account, but James and I will investigate that and report back to the board for the 31<sup>st</sup> January 2023. We will report back to the board on all bank accounts and balances and what they

represent. **SM** informed the directors James, Martin & Sarah would look at the whole picture for 2021 accounts and conduct an exercise of reallocation of items, this may impact the reserve figures, this will be carried out next week.

**Costs & Claims**– **ME** Homes England said a big cost of the claim needs to be addressed to Fairview. Homes England also acknowledged in November that if they did not help, VHMC would be liquidated so Tahnee made sure that every claim we put in was treated as fast as possible and number 1 & 2 were. She also noted the problem caused to us by Michael Gove changing legislation, she helped open the dialogue with Fairview. Homes England requested that Fairview confirm they are going to fund the non-eligible works, once they receive this, for cash flow assistance for VHMC, they will consider lending us the money with the intention of it being paid back by Fairview.

**Consultancy Fees** – **ME** Variation number 1 approved, Variation number 2 partly approved. Variation submission number 3 required which should include the resubmission of any amounts not paid in respect of delayed start and anything else we can foresee. For claim number 2 funding has been approved for Ridge, Chaney's and Vemco and VHMC Technical assistance whereby **ME** and the Directors get some recompense for work that has been put in subject to board agreement. Martin Edge has since June 2021 personally put in 700 hours and if the job runs till June 2023, it will be 1,000 hours spent on the cladding. **ME** was informed by Chaney's that the management company on another job managed to recover a fee for time put in. **WB** would like to check with Pennington Solicitors prior to putting in a claim for the Directors but the board is supportive of this claim, further thought required about the quantum and the justification of this submission.

**Meeting with Fairview** – **SM** we have a meeting on Friday 20<sup>th</sup> January with Fairview on site, in the beginning they were only interested in doing the remediation work on Birch & Fir as required but we have pushed back and asked they look at the 3 larger blocks also when they are here. They gave us an agenda and Martin has added some points so we are hopeful when they arrive, they will discuss Cherry, Holly and Elm which to date they have been reluctant to do. Home England have been copied into all correspondence.

#### Action Items

No.	Description	Action	Due
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#### 4. Freehold Managers AJG Audit

- A J Gallagher on behalf of Freehold Managers commission a full audit of Victory Hill, this took place just before Christmas they went through all our compliance in the office, every document relating to Fire Safety inspections, they were aware of the cladding works which was discussed. They were satisfied. They will write a report with any actions which we have not received to date.

#### Action Items

No.	Description	Action	Due
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#### 5. Reserve Fund Analysis

- As previously stated, we have given a deadline of 31<sup>st</sup> January 2023.

#### Action Items

No.	Description	Action	Due
1	Reserve fund analysis	JB	31/01/23

#### 6. Debtors

- To date since demands were sent out, we have received £258,000.00 which is about 25% of our total budget.
- Arrears as of 21/11/22 £170,640.84 and today they are £116,136.70 we have had a huge decrease, but it still need to be lower. All arrears are with legal.
- James to investigate how TPG can maybe assist with arrears, do they have a firm of solicitors in house Solicitors?
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#### Action Items

No.	Description	Action	Due
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## 7. Any Other Business

**ME** - Preparation of the accounts for 2022 this will be a first test for the directors of TPG to see how they can improve the poor process we have had in the last 3 years. James to find out from TPG if we are going to stay with Fortus or if we will change, also will we get specific inhouse support from TPG to get the process moved faster.

**WB** – Can TPG help us with an online self-service portal for leaseholders and effective information reporting for Directors, could we have feedback as to how quickly this could be done as this gives transparency for leaseholders having accessibility to their accounts and other information all online. With regards to the leaks caused by StanLil have we recovered the money for internal flat repairs if not can we do this immediately, also we should be claiming an administrative fee for collating and dealing with this, why is Ridge not collating and dealing with this maybe we should be putting more pressure on Ridge to sort the problems out.

**ME** – James please contact me tomorrow regarding Ridge and pushing back on work they should be doing.

**JP** – Nothing

**SS** – Nothing

**OK** – Would like to be kept updated with regards to Openreach on Cherry Block.

**JB** – Nothing

**LBB** – Nothing

**SM** - Nothing

Next meeting will be 20<sup>th</sup> February 2023 at 18h00

### Action Items

No.	Description	Action	Due
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Meeting ended: 20h00