

# Victory Hill Management Company Ltd

## Board Meeting

Monday 19th June 2023, 6.00pm – via Teams

### **Attended by:**

- Martin Edge – Chairman VHMC
- Matt Garvey – Director VHMC
- Stewart Smart – Director VHMC
- Jaz Parmer – Director VHMC
- Oliver Kirkham – Director VHMC
- Sarah Morrisen – SPM, Chaney's
- Wayne Buckley – Director VHMC
- Serif Omar – Director VHMC

### **Apologies:**

- James Buckley – HEM, Chaney's
- Lucy BB – APM, Chaney's

### **1. Minutes of Last Meeting and Actions Update**

- Sarah Morrisen  
There's no actions to the Minutes to actually agree to.
- Martin Edge  
We're taking the minutes as read because there are no actions carried forward.

### **2. Financials & Arrears**

- Sarah Morrisen  
Not a huge amount of activity in May financial wise. We've been trying to keep costs as low as we can. We're still looking at the 3.6% overspend at the end of the financial year.
- Sarah Morrisen  
It's nearly £2000.00 for the lightning protection on Holly that we've paid for due to it being tampered with due to the cladding works carried out by Stanlil. I think it's something that we'll have to argue later, although at the moment Leslie's adamant that it's not her responsibility.
- Martin Edge  
What did we do on Elm? the same thing happened on Elm when Stanlil were there. The lightning protection engineer had to come back and do something. What did we do with that cost?
- Sarah Morrisen  
We paid.
- Martin Edge  
OK, there's not enough directors here, but my proposal is that we pay for the lightning protection. We should just put that down for the next month or whenever we've got a quarter to directors just to agree or not agree that we're going to pay that ourselves.
- Sarah Morrisen  
Not a lot of activity with regards to financials, not a huge amount is going on.
- Stewart Smart  
On the document that you sent out, Sarah, you've got a number of notes that you've added to various cells. A couple of them showed £2000 pound embankment but the number in the cell shows less than 2000 and I'm not sure I understand what that means.

- Sarah Morrisen  
Thankyou Stewart – I will amend the spreadsheet
- Oliver Kirkham  
For the embankment clearance in July, I think we should review again before works begin. At the moment it looks in really good condition down there with hardly any rubbish or litter at all.
- Sarah Morrisen  
I will inspect the area prior to the next Directors meeting
- Sarah Morrisen  
We've had some complaints from Leaseholders in Willow about the back of Willow about trees banging on their windows, so I have requested a quote from Jason, Premier Gardens but its not a huge task. The area grows really quickly, so going forward we may look at removing all of the offending trees/shrubs next time.
- Stewart Smart  
Can I just ask what the issue was with the excess electricity charges for the MSCP?
- Sarah Morrisen  
There's been no change in in anything within the multi-Storey car park other than just the general rise in electricity costs, and also the fact that that we have taken recent meter readings, which might have had an impact.
- Sarah Morrisen  
All applicable arrears cases are with JB Leitch and arrears have fallen from £579,767.45 (27%) to £316,467.58 (15%) in June. Arrears are reducing every week.
- Martin Edge  
Do JB Leitch provide us with an arrears report?
- Sarah Morrisen  
They do provide a monthly update, but it doesn't provide forecasts. It just tells us where we are with regards to where we are with legal proceedings and amount of arrears on a case by case basis.  
So with each case, it doesn't predict when they foresee that we're going to be getting the arrear paid, only when the money's in. However, a lot of our cases now at the point where we are entering for judgement and can apply to the lender for payment. This is when we see the fruits of works and arrears will drop substantially
- Martin Edge (Guest)  
Okay, but nevertheless, can you ask JBL if they could provide rough timescales?
- Sarah Morrisen  
Yes I will
- Stewart Smart (Guest)  
Do we get any information at all from JB Leach about when cases are coming to court?
- Sarah Morrisen  
Yes, we are informed of when cases are being sent for court action

### **Actions**

- **SM to inspect embankment re clearance**

### **3. 2021 Accounts**

- Sarah Morrisen  
Next on the agenda is the 2021 accounts. So, everything's gone over to Fortus and they've been chased. I'm just waiting on the finalised draft now. We're looking at about £17,000 circa balancing charges, which are far less than what they were before. When they come back they will be reviewed by Martin and then signed off by James.

- Martin Edge  
We've noted previously in the Minutes and I've talked to Sarah, and James, but after this year, I don't want to use Fortus for the accounts, they don't treat us with any kind of immediacy or attention when we need it.
- Sarah Morrisen  
We agreed we that we let Fortus do the 2022 accounts and then that's it.
- Martin Edge  
Yes
- Sarah Morrisen  
Okay.
- Martin Edge  
So now that the directors of agreed about the 2021 accounts and the reserve fund for Elm in the 2022 accounts, we can release the hold on chasing arrears for Elm leaseholders right for 2022.
- Sarah Morrisen  
Yes, we can, yes.
- Martin Edge  
Have you done that?
- Sarah Morrisen  
Yes, I have.
- Martin Edge  
Good
- Sarah Morrisen
- Not really linked to accounts, but just while it's in my head, James been talking to Gary, Gary's still very much of the view that because we demanded the £1000 contribution towards non eligible fire related works from Leaseholders before the change in Government legislation, these monies are not due to be refunded to Leaseholders. As the £500 was demanded just after the change in Government legislation, some of all of this will remain payable back to Leaseholders.
- Martin Edge  
So some leaseholders have not paid the £1000. Have you put a hold on chasing that with JBL?
- Sarah Morrisen  
JBL are not chasing any of the cladding relating payments at the moment.
- Sarah Morrisen  
But Gary's got a different view. So, it is something that I think Gary needs to talk higher up the chain with JB Leach with regards to that.
- Martin Edge  
Okay, that is good. So, I am just noting that we the directors are awaiting the opinion from Gary here.
- Sarah Morrisen  
Okay
- Sarah Morrisen  
At the moment we have collected £303,000 worth of cladding payments in total.

#### 4. Homes England Update

- Martin Edge (Guest)  
Last week, I circulated an update to all directors we are chasing just over £719,000 as variation 3 to Homes England. We are starting with the biggest number we can generate and within that £719,000 is all of the money that we have spent, which part of which was funded by the leaseholders. So Sarah just said we've already collected £303,000. So we spent all of the £303,000 and more on non-eligible expenditure and now we're appealing to have all of that refund returned to us on the basis that even Homes England call it ineligible, the works (e.g. balconies) were unavoidable. It had to be done. So we have lodged that appeal with Homes England. We'll see what happens to it. They might give us something, and the rest of it, we will chase directly through Fairview. The £1500 contribution per Leaseholder,

It might. It might not be given back. Lets see what we get and when we get it, but what we might, do is give everyone a holiday from contributing to the Reserve Fund, for example for a year or two, or something like that.

- Wayne Buckley  
Joined the meeting
- Wayne Buckley  
The one thing that I'm nervous about is what if worst case they don't pay up. What's our contingency?
- Martin Edge  
Right, so I put an outline in my response to you, but we must try and hit the wicket, you know, in in sequence, so for the first let's see what homes England can do for us.

Secondly, let's see what Homes England can get for us from the Department of Levelling Up, and also let's see what Homes England can get for us from Fairview. In other words, use the Homes England gateway. Or put a legal claim forward direct to Fairview, for example, because of inadequate construction and latent defects. We will keep looking at whatever opportunities we have and Fairview is the is the end of the game.

- Wayne Buckley  
In that scenario, we will need the legal support to take any action against Fairview. Hopefully, it won't come to that, I'm hoping that Homes England smooth the path and it all goes well.
- Wayne Buckley  
I'm happy with whomever Solicitor we use if we require legal services, but in the interest of avoiding any potential future of conflict of interest later, we cannot be working with a solicitor who is also working with Chaney's or TPG group.
- Martin Edge  
No TPG recommended them to us on the basis that we needed independent legal advice on construction law.
- Wayne Buckley  
That's brilliant if that's the case.

#### Waking Watch – Birch

- Sarah Morrisen  
Birch and A Block (which is Sovereign Housing block) are deemed as high risk buildings because the outer membrane of the of the cladding system is rubber which is very flammable. Fairview put a waking watch into place for Birch. They offered the same for Sovereign, however Sovereign declined the offer.
- Fairview were due to start works on Birch but have been unable to locate a suitable roofing/cladding system, in effect the whole roof needs to come off. It needs an over roof and needs a new roof. So instead Fairview have confirmed that they are going to start with Fir and G (Sovereign), but in the meantime, are going to remove the waking watch for Fir. They advised that if we want to keep it, VHMC will have to pay for it.
- Wayne Buckley  
They cannot do that
- Sarah Morrisen  
James has written a very good e-mail. He's brought in compliance from TPG saying there's no way that Fairview can decide to start a waking watch and then take it from beneath our feet and expect us to pay. And also, we can't ask Leaseholders to pay for it anyway. At the moment we still have a waking watch funded by Fairview.
- Wayne Buckley  
I honestly can't see how they can remove it. Having been the people that put it in, the finances and risk profile have not changed.
- Martin Edge  
Why did Vemco miss the fact that the mansard roof on Birch is a rubber based external material and has a void behind. Why didn't they pick up the fact that it was highly vulnerable and needed a waking watch?

- Sarah Morrisen  
Well, there's two prongs to that. Vemco decided that it wasn't necessary because the Hampshire Fire service can access the top of the building with their equipment. And secondly, when Hampshire fire service carried out the audit on Birch, they also said that we didn't need a waking watch.
- Martin Edge  
We should go back to Vemco and the Hampshire fire service and ask them for a second opinion.
- Sarah Morrisen  
Chris Kensett has gone back to Vemco already.
- Martin Edge  
Good.
- Wayne Buckley  
And the fire service.
- Sarah Morrisen  
Jason LCS is talking to Hampshire fire service.
- Martin Edge  
We must make it clear to Fairview that we don't accept the removal of the waking watch unless
- Hampshire fire service and Vemco say that we're safe to withdraw the waking watch.
- Sarah Morrisen  
Also James has said we absolutely do not agree and has not had a response from Lesley
- Wayne Buckley  
I think that's the right starting point. You told us the waking watch has to be here, what's changed? But in the meantime, the only way I'd be happy is if the fire brigade say it's OK.
- Sarah Morrisen  
To me, I have thought of a simple solution with the least monetary value.  
We have a linked fire system in Elm that is that that we no longer need. We take that link fire system from Elm and we install it into Birch and we do exactly the same setup as we did in Elm, which will mean that we do not need a waking watch. The linked fire system for Cherry can be installed in Fir if required. and we can, we can use a.
- Wayne Buckley  
That's a great idea
- Sarah Morrisen  
If it was good enough for a building of Elm size, it will be good enough for Birch. I will ask RES for advice and what the works entail.
- Martin Edge  
So that's an action for Sarah.

### Internal Leaks

- Sarah Morrisen  
Fairview have confirmed that they will not pay for any remedial works inside of flats affected by leak resulting from the cladding works during Stanlil's time.
- It might be different when it comes to Holly because they've took the building on from the start.
- Wayne Buckley  
Right. So, they're saying that the because the damage was caused by Stanlil, as far as they are concerned, they are not responsible for the damage. So, in which case, surely there is a claim against Stanhill or their insurance provider?
- Martin Edge  
Following on from the demise of standstill and our contract with them, we can claim against the 5% retention held. We can set the cost of those damages against what we owe them in respect of the 5% retention sum which is IRO £140. Sarah and Lucy are maintaining a file of every leak that we've had and the cost of repairs.

- Wayne Buckley  
Do we know how much we have already spent?
- Sarah Morrisen  
We had about £25,000 worth of leaks of that, Alistair through the Payless notice, deducted about £12,000, so were £13,000 adrift.
- Wayne Buckley  
We've already spent £25,000, but we've only charged Stanlil £12,000
- Sarah Morrisen  
Yes, Alistair didn't take it all off the Payless notice.
- Wayne Buckley  
And was there a reason for that?
- Martin Edge  
The reason he only took half of it was because
- The costs that Sarah advised, which was 25,000, had not been discussed with Stanlil and until they were discussed with an attempt to agreement, he didn't think it was appropriate to book 100% of those costs forward in the Payless. So, he put half of them.
- Wayne Buckley  
But, there's nothing stopping us putting in the balance. It's no longer too late.
- Martin Edge  
No, it's not too late. we need to be reasonably clear that these are proper costs attributed to Stanlil after which the costs can be offset against the 5% retention.
- Martin Edge  
Anyway, the important thing, Sarah, is that you maintain records of all leaks. What caused it and all evidence, who looked at it what had to be repaired, how much did it all cost
- Sarah Morrisen  
Yes, we're doing that
- Martin Edge  
Is that Lucy maintaining that now?
- Sarah Morrisen  
Yes
- Wayne Buckley  
Well done, Sarah, because it's good to know that that's there.
- Martin Edge  
Could we ask Sarah, can you get a leak summary circulated to the directors so that we can see, what it looks like?
- Sarah Morrisen  
Yeah, of course.

### **Actions**

- **SM to speak to RES re linked fire system**
- **Spreadsheet of leaks**

### **5. Fairview//VHMC Agreement**

- Sarah Morrisen  
Now we come on to the Fairview.

Fairview/HMRC agreement, Memorandum of Access, which is still being looked at by VHMC and Fairview's Solicitors

- Martin Edge

Yes this is long and protracted now, and we're waiting for both sets of solicitors to answer some outstanding questions. I and also our solicitor have advised that we need Ridge to be involved, so I've asked Ridge to get involved but they haven't answered so we're chasing it. However ultimately the advice we've got from the solicitor last week is that unless VHMC is deriving any clear benefit from an agreement at all between Fairview and HMRC, there's no reason for us to sign anything because there's no financial transaction between Fairview and HMRC. There is the deed which Fairview have signed with government, which requires them to do under law what they have to do to remedy all the fire safety defects. So one way or another, VHMC are going to get what they need and unless we can secure something extra from this, agreement, then we don't have to sign anything. So, in the meantime, we're waiting. We're hoping that Fairview solicitors are going to come back with some further level of agreement with what we've proposed. Be assured that it's not holding up the work.

- Sarah Morrisen

On the on the ground, LCS are doing a tremendous job.

- Wayne Buckley

So it's moving at pace at least.

- Sarah Morrisen

Massively at pace, I can't fault them.

- Stewart Smart

A question about Cherry. Is my understanding correct that Fairview installed Composite decking all the way through the building for the balconies?

- Martin Edge

They did.

- Stewart Smart

And they've agreed to pay for it, even though they originally said they weren't going to.

- Sarah Morrisen

Yes

- Stewart Smart

And where are we with Holly?

- Sarah Morrisen

We're not really too sure at the moment, they've put, they put the spreader plates in to allow for the composite decking and everything's ready to go, but they still haven't formally agreed to install composite decking.

- Martin Edge

At the last progress meeting the action was with Ridge to try and facilitate some price reduction for LCS to buy the composite decking, but again, nothing confirmed in writing.

- Sarah Morrisen

Yeah, we thought initially that we paid £18,000 to the decking manufacturers as a deposit towards composite decking for Holly. It has been confirmed by Alastair from Ridge that Stanlil actually paid for the materials so we cannot reclaim the £18,000 deposit or offset it against future materials.

- Wayne Buckley

During the time we paid Ridge's fees, I want to make sure is that there was nothing that we have any concerns with might come back to us that we shouldn't be exposing or preparing for i.e. if they were ever negligent in any way for what they've done. Or how they managed the project. I just want to make sure that there isn't anything we need to be preparing in the background re any possible action against Ridge. It's OK if we don't have an answer. I just want to put it out there and say we probably need to be thinking about it.

- Sarah Morrisen

Have you got any concerns, Martin?

- Martin Edge

While everyone knows that I did have concerns.

- You know, with every company, the value and the merit of every company comes down to the actions of the staff. Our main counterpart in Ridge, Chris Kensett, he's a highly experienced building surveyor. He's not strong at recording things in writing. He works very well with oral agreement. He records it when it has to be recorded. Otherwise, it's very difficult to get information from him. We had one area that was a problem for me and that was with the standard contract. I was being delayed and the contract had to be extended and I was calling for justification of by how much should it be extended? And it was very, very, very difficult to get anything on that topic. In the end we got what was necessary and Homes England were happy with it. So that was OK. But when it comes to the leaks, again, there's a lot of blanks as far as I can see. Ridge always relied on and aid when a leak occurred, well there's a history of leaks in this building, so unless we can show this is due to Stanlil's actions, we can't hold this at Stanlil's door. I've heard that too many times.
- Wayne Buckley  
Probably do need to at least try to get a clear understanding of where we think those gaps are in the service they provided, if they've done things that are not in line with our expectation or the contractual commitment. Because if there is, frankly, an almighty shake down at the end of this where Fairview or Homes England refuse to pay, we are going to, as directors, whether we like it or not, have to look at every single partner involved in the supply chain and go after them.
- Martin Edge  
Yeah, I agree with you we would have to look at every contracted party to see whether something's been missed.
- Martin Edge  
We're told by LCS and Fairview, that the work on Winterthur way, is going to run on into 2025 (to allow for works to Birch & Fir).
- Martin Edge  
So obviously things financially and cost wise can happen right up to the end and even beyond the end of the contract. So, it's abundantly obvious to me that Victory Hill management company and its directors are going to be worrying and hustling about recovering money for literally years.
- Wayne Buckley  
That that really clear expectation, this is a 5-to-10-year gig to sort out the finances for this.
- Martin Edge  
Yes
- Martin Edge  
But I think that we will get some significant amount of monies reasonably quickly and then we'll be then we'll be battling for the rest of it.
- Wayne Buckley  
And the fact that you are diligently keeping your records and I absolutely believe you are, can you assure us or help us by assuring us that all the records that you have are stored digitally and in a place accessible to all VHMC Directors.
- Martin Edge  
Yes. simply speaking the important stuff, I share with Sarah.

## 6. A.O.B

- Sarah Morrisen - Onto A.O.B
- Wayne Buckley  
No, that was mine. Thank you.
- Martin Edge  
No, I don't think so for this one. Thanks.
- Sarah Morrisen  
Matt.

- Matt Garvey  
No, thank you.
- Sarah Morrisen  
Stuart.
- Stewart Smart  
No, I know. For me, thank you.
- Sarah Morrisen  
Oliver.
- Oliver Kirkham  
No, nothing from me. Thanks.
- Sarah Morrisen  
Jaz
- Jaz Parmar  
Yeah. One for me, firstly just thanks Martin and Sarah for everything you're doing. And like Wayne said, if there's anything we can help with, please just shout cause it's a lot to deal with on top of everything else so. I did want to just let you know I was just doing a little bit of research, but just looking online property prices that we know are going to be devalued, with the cost-of-living crisis as well. I saw some pictures of some of the flats, the interiors of them look terrible, I know we can't actually physically do anything about it, but one of the photographs just had black mould coming all the way down the walls in this two-bedroom flat in one of the smaller blocks. And I just thought to myself, this is going to be giving our estate such a bad reputation. I just wanted to flag it
- Wayne Buckley  
Let's say to build on that, sometimes it's the tenants, not even the landlords. So I've had a mould problem in my flat that I've never ever had before, thanks to tenants that have only been in there since February.
- Jaz Parmar  
It's just something that's been portrayed, you know, and you just hate to think that there's more and more photographs that will go up like that and it will just make it look like the whole estate is like that.
- Wayne Buckley  
Maybe we should hold a Leaseholder update meeting with the latest on where we are in terms of build profile, timelines and everything that's happening behind the scenes. So that people understand at least the expectation that we can set.
- Martin Edge (Guest)  
Regularly we update Leaseholders and Residents on Facebook and on website and it's never more than two weeks out of date.
- Wayne Buckley  
My question is whether we need to kind of give them the opportunity to talk to us rather than just give them a document to read.
- Jaz Parmar  
One resident did come back to me because I told her I was going to be at our meeting today. So is there anything you would like me to raise or ask? And she said no other than to sincerely thank all the directors for their hard work, which is much appreciated by most of us.
- Martin Edge  
That's nice to hear.
- Wayne Buckley  
That's lovely.
- Sarah Morrisen
- Serif – A.O.B?
- OMER, Serif  
It was just on that point about communication and the updates. I agree with Wayne. I think people aren't really checking the website or Facebook, so I don't know whether it could just be whenever we update the website and e-mail to everyone with a link to where the update is, plus separate meetings. I would be surprised if more than 10% of people regularly go on and check the website directly.

- Wayne Buckley  
Two things, Martin. One where anyone can come along and this is an information share. And then once you've digested it, there are two or three slots where directors will be at where we will facilitate conversations with a smaller number of people and answer any specific questions that we weren't able to meet on the night.
- Wayne Buckley  
At a presentation within the next four to six weeks, let's kind of push for it in that timeline, knowing it in reality, it's 6 to 8 before we organise it.
- Sarah Morrisen  
OK.
- Wayne Buckley  
I can't it just be nice to do something and its not be ended up wrapped into the annual AGM
- OMER, Serif (FRIMLEY HEALTH NHS FOUNDATION TRUST)  
Yeah. No, that there's nothing else for me. Thank you for all your hard work, though.
- Sarah Morrisen  
OK guys. Thank you.

The meeting was called to a close at 7.40pm