

2015 AM Minutes for St Paul's Court Management Company

held on Tuesday 15th September at All Nations Christian Centre, Reading

Attendees: 35 44 40 5 23 24
39 42 51
Neville Pedersen (Pedersen and Company)

Apologies: 47 36

1. **Welcome.** Graeme Streets (GS) introduced himself, Paul Metcalf (PM), Deborah Winyard (DW) and Neville Pedersen of Pedersen & Co (NP).
2. **2014 Minutes:** No questions or comments.
3. **Matters Arising:** DW reported that the Management Company had now opened a savings account with the National Counties Building Society. Also that the Fire Risk Assessment has been completed.
4. **Review of the Accounts for the year ending 31st March 2015.**

DW explained that we are registered as a dormant company so we pay no corporation tax.

- Maintenance charge contributions are down because some leaseholders have installed double glazing.
- Cleaning costs are up because we changed contractor from one which paid its employees poverty wages to a more professional company, Bee Kleening, which charges more.
- Electricity costs are up because the new lights are brighter and therefore require greater wattage.
- Professional fees were higher because of legal fees incurred establishing the proper way to conduct the vote to elect a new director
- Insurance costs were up because we have added terrorism cover. NP explained the terrorism cost – if a piece of damage is considered to be terrorism we do need to be covered.
- Accountancy costs are up this year for accounting reasons – the previous accountant did not accrue as much.

Flat 24 asked if we had a reserves policy. DW said that the current policy was agreed in 2012, when it was decided to reduce the maintenance charge and gradually reduce the reserve fund to £30,000, a figure the Management Company felt sufficient to cover any contingency. GS explained that prior to 2012 the Management Company had undertaken a number of projects which had meant that the maintenance fee and reserve fund had increased. It had been assumed that fixed costs would increase year on year and thus the charge had been retained. However, in 2012, it was recognised that fixed costs were not increasing at forecast levels and the reserve fund was higher than needed and hence the change in policy. DW stated that this year, the Management Company needs to bring in £8,000pa more than we spend on regular spending.

Flat 39 asked if we got income from flats changing hands. GS said that whilst it brought in some money, this was only sufficient to fund the web site, which contains much of the information required for transfers. The current fee is £50 for a flat transfer and £25 for a lease extension. Heritage have recently increased the amount they charge and as solicitors are seeking more and more information we will have to increase our costs when it moves to being NP's responsibility. DW said that our accountant has okayed these charges with HMRC.

5. Highlights from 2014/2015

GS reported that since the last Annual Meeting it had been agreed to hold a vote to decide whether to elect Richard Anderson (RA, owner of Flat No. 36) as a director. The outcome, which saw over 50% of leaseholders vote, decided three to one against.

GS noted that Michael Bright (MB), who had been a director for as long as he could remember (c1990), had sold his flat in July. On behalf of all the directors GS wanted to place on record their considerable thanks to MB for all his efforts to maintain the court. It was important to recognise that MB had more or less single-handedly improved the gardens and habitat for wildlife we all now enjoy, from what was mostly bare lawn with very few plants. The directors would do their best to maintain this legacy, but changes were needed in the way they managed this. See item 7.

6. Maintenance Plans/Charge 2015/2016

DW said the maintenance charge will be unchanged for the next year. Further, the Management Company's financial year ends in March while the lease year ends in December; the Management Company is now able to bring the years into line. GS said directors need to notify Companies House over this. The next accounts will compare a part year with a full year.

DW said we have problems with leaks, particularly overflows from the boiler or cold water tank. Although this is fresh water not sewage there are issues with stains on the wall. We will try to clean before we charge people for it. Tenants should be reporting leaks when they are spotted.

DW said the next big project is external painting which is done from ground level but may require a tower.

7. Update on how we manage services

GS reported that the directors have for some time looked to significantly reduce the day-to-day overhead on them and at the same time minimise the additional cost to all leaseholders. The loss of MB since July provided a further incentive as he spent considerable amounts of his personal time on maintenance matters, including fixing problems himself. Consideration was therefore given to increasing third party service provision.

We had already built up an extremely successful arrangement with Pedersen and Co who specialise in the full range of services in this area and entered into discussions with Neville. We also took up the option of a free management survey from another company who were looking to set up in the area. Having reviewed the two options, we agreed that Pedersen and Co would take on responsibility for a fully managed service including the role of Company Secretary.

As well as being a known and trusted party, the directors were extremely impressed with Neville's depth of specialist knowledge and pragmatic approach to dealing with issues. Neville's costs were also more affordable (and more transparent) than the other party. The transfer of work is still taking place, but so far it appears to be progressing well. In recognition in the reduced overhead the directors will no longer benefit from a discounted maintenance fee.

Flat 24 asked if there were a conflict of interest with the lease and say the landlord with NP taking on more work. GS confirmed there wasn't any conflict and that NP as the managing agent would only represent the interests of the Management Company and thus the directors and leaseholders.

GS said that move of work to NP would gradually evolve with NP taking on the day-to-day involvement with issues. Flat 39 said he supported the directors retaining the discount for the work they are doing. GS said that personally he was happy to pay the full amount as a leaseholder to make sure the flats are run effectively.

8. AOB and close

Reading Borough Council reported to NP that they will fix the trees that have fallen across the river. NP added that the compost heap near flats 17-20 has been complained about because it smells and attracts rats, and the Management Company intends to get rid of it. Flat 23 asked who had responsibility for the Holybrook which runs alongside St Pauls Court. The river itself is the responsibility of the Environment Agency. The trees on the other side of the river are the responsibility of Reading Borough Council – some branches have fallen across the river. (Also, the trees alongside Berkeley Avenue have Tree Protection Orders and are the responsibility of the Council.) GS stressed that the more people that write to the Council the better, whether tenants or leaseholders. NP added that people can even phone – as the Council responds to people more than companies.

Lastly, flat 39 thanked directors past and present for their work, which flat 24 endorsed.