



Newsletter – July 2010



Budget and Service Charges

The Directors have just set the budget for the year 1 July 2010 to 30 June 2011. While they and the Managing Agent have done everything possible to keep costs down (overall, they have risen by 5.7% over 6 years compared to CPI inflation of 16.7%), the flats reserve fund will be exhausted by the current periodic redecoration.

Over the last couple of years, the Directors deliberately kept service charges low during the recession to help owners, although it was known that they would have to rise in the next four year maintenance period. Owners (shareholders) agreed with this approach at the Annual General Meetings.

Now, as the economy recovers, it is necessary to collect a contribution from flat owners to build up the flats reserve fund for the next redecoration in four years, so flat service charges have risen. Other factors are the increased safety regulation of the building industry increasing costs and the Government increase of VAT and insurance tax from 4 January 2011.

The Estate reserve is still in surplus, largely due to the Wandsworth Borough Council grant toward repairing the clock tower, so there will be little change for house service charges.

Because reserves will be exhausted by current work, this is also the reason why service charges must now be collected when due under the legal agreements for properties at the start of each quarter. Otherwise the Management Company will not have enough money to pay for day-to-day running costs like cleaning and gardening. It is with regret that we can no longer allow the concession to pay monthly, up to two months in arrears.

More information is provided in the letters from the Managing Agent about service charge payments and accompanying the budget.



Directors

Nicola Hageman resigned as a Director in June 2010. Ravi Joshi continues as a Director and, at Ravi's request, Kevin Herrmann agreed to serve as an Alternate Director until the Annual General Meeting in autumn 2010.

You can contact the Directors through the Managing Agent, although their main focus has to be the periodic maintenance and other key work such as setting the budget for 2010-11.



Trial Web Site

Kevin Herrmann has set up a trial web site for St Benedicts at <http://www.herrmann.me.uk/stbenedicts/>.

Feedback will be sought later in the year and, if this is useful for property owners and residents, the Management Company may make this permanent.



Periodic Maintenance

Under the terms of the legal agreements for the properties on the Estate, the Management Company has to carry out periodic maintenance of the Estate facilities and the leasehold flats, typically every four years.

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For the Estate facilities, the clock tower was extensively refurbished in 2009, partly funded by a Wandsworth Borough Council grant. External redecoration and internal redecoration of the common areas of the blocks of leasehold flats is taking place in 2010.

The Managing agent carried out a competitive tender for a surveyor to specify and supervise the flat redecoration work. This was won by Smith Baxter.

The Directors were particularly keen to obtain a fixed price quotation for the work, rather than the more usual percentage of the cost of the work, to avoid the surveyor having a perverse incentive to increase costs.

Smith Baxter then prepared a detailed specification and carried out a competitive tender for the external and internal redecoration and other works including letter box replacement.

After re-tendering, this was won by Mulalley & Co. The Managing Agent sent summary details of this tender to all owners at the time, as required by the Landlord and Tenant Act.

The original tenders, from recollection, varied from around £140,000 to nearly £300,000. The flats reserve fund stood at around £117,000 including contingency (having been based on redecoration costs in 2005 of around £85,000, again from memory), so the Directors reluctantly decided that the additional work such as letter box replacement could not be carried out. This would have involved surcharging every flat owner several hundred pounds and delaying the redecoration until this money had been collected, when the redecoration was already a year late.

The Directors instructed Smith Baxter to request final tenders for the basic external and internal redecoration work only and the resulting lowest winning tender was just over £100,000 including a contingency allowance for small repairs. With the fixed surveyor and Managing Agent costs on top, this work will just about exhaust the flat reserve fund.

Work by Mulalley started in late May and is due to finish by the end of July 2010. Most work on upper floors is being carried out using a mobile platform lift to minimise costs but, in otherwise inaccessible areas, some scaffolding is being used.

In a letter to all residents, they were asked to arrange a convenient time with Mulalley for their windows to be painted, including the closing surfaces, when they could be left open for two days to dry.



Tree Pruning

Annual tree pruning was carried out over the winter of 2009-10, after permission from Wandsworth Borough Council, as the mature trees are subject to a Tree Preservation Order. A nearby property owner has asked that the cedar tree (TPO-T5, Deodar Cedar, Cedras deodara) in the communal area by the block 31-36 Abbey Drive should have its crown reduced in height by 30%.

The Managing Agent has contacted the relevant council officer and they have advised that they need to inspect the tree before they could advise whether such work would be permitted. This inspection will take place in late July 2010, on the earliest date available from the council.

If the officer advises that such work would be permitted, the Managing Agent will write to all nearby property owners to ascertain their views on this proposed work.

This tree has previously been subject to disagreement among nearby property owners with some wanting it radically reduced while others wanted it left untouched. The Management Company will follow the majority view expressed by nearby property owners.