

Church Street (Maidstone) Management Company



Chairman's Report.

Annual General Meeting. Tuesday 8th November 2016

Good evening Ladies and Gentlemen. Welcome to the third Church Street (Maidstone) Management Company (CSMC) Annual General Meeting. AGM's are not usually the most exciting of meetings, so I thank you all and appreciate your resolve and interest in turning out this evening to listen to what I and your Directors have to say on the management of the Old Hospital for the current year, together with our forecast for budgets and our aims for 2017.

For those who are new to the development, I would like to introduce you to the Directors; I am Paul Peacock – Chairman, Fergus Poncia – Company Secretary, Peter Stock- Finance & Communication, Olga D'Silva, Administrative Secretary, Kate Holland, Planning and related matters and Kristie Smith, PR & Communications and Administration. I am also pleased to introduce two new Directors who will commence their duties on 1st January 2017. Mr David Berry and Mr Jonathan Castle, owners at Dudley House and Hales Court respectively. David will assist me with the work management and liaise with contractors on site, and Jonathan will assist Peter Stock in all financial aspects.

We are also delighted to welcome Councillor Clive English from Maidstone Borough Council who has joined us this evening.

Since the summer of 2014 we have worked hard to resolve the financial mess Countrywide, the previous estate managers, left the Old Hospital in. At that time, we were still reluctantly handing over accounts and invoices to our accountants MHA MacIntyre Hudson, in addition to failing to pay off outstanding bills.

Neither had Countrywide made a provision for maintenance agreements for smoke alarm systems or the water pump system, breakdowns or electrical faults. This has been now addressed and systems to maintain the integrity of both are now in place.

I am delighted to report their failure to provide a reserve fund has also been reversed. Following lengthy discussions, a lot of number crunching and the threat of legal action, both Higgins Homes and Countrywide Estate Management finally paid CSMC £24,547 and £543 respectively. These were sums accumulated by Higgins during the construction of the development ie electricity and water, and as far as Countrywide are concerned this was money they had received on account but not sent back when we took over the management of the estate. These sums now form the bedrock of the reserve fund, together with annual increments of around 10% of yearly service fees, and will provide a suitable source of funds for future needs throughout the development.

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Unravelling the financial mess we found ourselves in has taken all of the 30 months since June 2014 to resolve, and I can now confidently inform you that we have all financial aspects under firm control and all the debt inherited has been paid.

We did however incur additional costs regarding the repainting and repairs to all exterior windows at Fairfax Court, and as a consequence of budget restrictions were unable to start exterior rear windows to both the Dudley blocks during the Autumn of this year. In addition, we thought it smart to provide our own scaffolding plant at a cost of £2,000 for future redecoration and maintenance. It pleases me to say that despite these additional unbudgeted costs, we expect full year costs of approximately £74,000 against an estimated budget for the year of £72,434. The difference has been met by reserves. Directors felt it prudent that owners in those blocks where additional cost had been incurred should not be asked at the year end to stump up additional service fees to make up the over spend.

Maintenance of the development has been confined to local contractors who have brought about positive and swift results, at lower costs. The estate gardens are tended to by Paul Newman Contractors and I trust you will agree this aspect of work undertaken has left the development looking better than ever. The cleaning of common areas by Paul's wife has again been maintained to a high standard.

I regret to report that some of the electrical improvement work started by our electrician Nigel Jeffrey came to a halt following his illness midway through this year. The conversion of light fittings and bulbs to LED is ongoing and will ultimately stabilise common area electricity cost, although we have found it difficult to engage the services of electricians at rates we deem reasonable. However we believe we have now found a suitable contractor, Langcorn Electrical based in Headcorn, who will serve the estate.

APT Heating & Plumbing have serviced many of the boilers on the development or replaced faulty valves and can be relied upon to continue when required. Additional contractors representing NIBE can also be found on our website. I must point out that it is the responsibility of owners to ensure boilers are serviced each year. All owners/residents will be contacted shortly to ensure that they have the correct fittings for the expansion tanks in each apartment. Higgins Homes have stated they will repair/ fix any found to be faulty, free of charge.

Security on the development has also been improved. I appreciate this is not always easy and a compromise is often needed to maintain the balance. The incidents of unlawful pedestrian traffic through the development are virtually zero. We also installed a new keypad, flood lighting and CCTV cameras to the Fairfax Court bin store, where earlier in the year we found evidence of people sleeping and of drug abuse.

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Sadly, despite our best efforts, that abuse continued and brought about our meeting with Police, Maidstone Borough Council, Outreach Representatives and the senior Management of Trinity Foyer in July. Additional measures were taken to secure the doors at Fairfax and that problem is now resolved, together with better Police monitoring and Trinity Foyer taking a firmer stance with offenders under their supervision. Other key code devices for bin stores have also been introduced. Some of you may also have noticed some of the paving brick work especially in front of Brockman and Fairfax sinks from time to time creating 'pot holes' and tripping hazards. These have been dealt with on a regular basis, as and when they occur, and usually after persistent rainfall. We have also provided additional lighting at the side of Goring Place, together with CCTV surveillance to prevent fly tipping by residents of Price Court and others. This action, although expensive, has brought about positive results with the cameras identifying two culprits, caught in the dead of night, who have been subsequently been prosecuted.

The introduction of a new parking enforcement company, UK Parking, has also reduced the level of illegal parking. We will also strongly support the parking company when blatant illegal contraventions to the rules are made. We remain resolute in protecting the rights of those who have paid for parking spaces and rejecting those who have not. Fines imposed by UK Parking and any subsequent appeals have to be made with UK Parking directly and not CSMC.

In this respect, we applied for and gained planning permission to install nine ragstone bollards to the area directly in front of 7-12 Dudley House by Nolan's statue, but given better enforcement by UK Parking and the lack of competitive quotes meant we have not progressed this action. We also expect to reconfigure the parking area to the entrance of the development, having successfully obtained planning permission. Should any of you here have an interest in parking spaces, please register the fact before leaving or contact us by email / voicemail. It is anticipated that spaces will be made available on a yearly basis by sealed bids, as and when they become available. This cost of work has not been accounted for in the 2017 budget, as the scheme will be self financed by the licensing out of those spaces.

In addition, a tree cutting regime is now in place and some will have noticed the cutting back to trees to the right hand side of Hales Court and to the left rear of Brockman Place. We expect to continue with the trees to left side of Brockman early in the New Year.

Some may have noticed the installation of fire extinguishers to the development. This is the first part of our commitment to Health & Safety requirements prescribed by law, and to ensure compliance with those regulations. We expect to install the remainder of fire extinguishers to all blocks in 2017.

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These improvements will continue to feature as we make the development a safer environment in which to live. We have examined the possibility of providing a much larger and stronger gate to the entrance but concede this expense should be considered when absolutely necessary and after all other repairs or improvements have been made, notwithstanding any emergency work.

As part of our efforts to provide a fair and better service to all, we removed all administrative penalty charges when we took over. Unfortunately, it has been necessary to reimpose penalties for those owners who persistently fail to pay service fees on time. It is unreasonable to allow those who pay on time to subsidise those that do not. Last year I reported that we were looking into providing block or individual water meters to all blocks other than Goring Place, which has the facility already. As you are aware, installation has now taken place. This will help to reduce the excessive costs currently incurred by the management company and ultimately you, within the service fee. Your future cost will relate to what you use, which is fairer all-round.

I suspect that the most serious problem faced by many residents in the past, was the water ingress experienced by some 20 apartments and the Fairfax basement. Many of you are aware that this has been an uphill battle, despite our appointing an independent building surveyor to assess the damage and repair work. Higgins Homes returned however and completed their repairs and finally left the site in March/April 2015. The work took a long time and only time will tell if the repairs made are to the standard required. The fact that we now have a reserve account and continue to strengthen this position each year may prove to be a Godsend when the NHBC guarantee expires after ten years? If anyone here feels that work elsewhere on site has not been dealt with, I would be grateful if at the end of the meeting, you inform me or Olga D'Silva.

Turning to Fairfax Court, this time last year I reported that the NHBC had rejected our claim following serious flooding to the basement area. We therefore, arranged for our own Damp Report in order to understand the problem in detail and the costs involved of putting this right. Our persistence and the threat of forwarding our home made video to YouTube and Cowboy Builders on Channel 5, together with a letter from solicitors, meant they were forced into re-examining their position and shortly into the New Year they reversed their decision.

I am pleased to report that an extensive engineers report concerning the foundations and integrity of the building has been completed, and following this report, the NHBC have invited tenders from five specialist companies to price the work. This involves the underpinning of the entire block, providing and tying in a suitable concrete slab with membrane, extensive tanking to all interior walls and the provision of two new automatic sump pumps.

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If I tell you that the engineers report alone has cost the NHBC over £29,000, those unfamiliar with the problem can gauge how serious the problem was and begin to estimate the extremely high costs involved of putting the matter right. Something Higgins Homes refused when challenged.

Now I come to next year's budget and service fees. Calculations have now been made taking a variety of factors into consideration, to spread the cost of managing and maintaining the development more fairly and directly in relation to the costs incurred by individual blocks, individual households and consumption of services.

Unfortunately some blocks cost more to run from utility service consumption ie electricity and water, some take longer to clean, some have car parking spaces whilst others do not. In addition there are one, two and three bedroom apartments which has to be taken into account when assessing service fees. These assessments are also affected by the maintenance of each and the work done to each for redecoration. Consideration was also given to the grade 2 listing of three buildings and accordingly a small premium was attached to reflect the increased costs associated with running and maintaining those blocks. Whilst common area costs are the responsibility of all, specific costs to individual buildings remain the responsibility of owners within those buildings. A five year redecoration programme was started last year under the strict covenants set out under all leaseholder agreements and must be commenced every five years. Adjustments made took into account the redecoration costs per block over the next five years. Those blocks painted this year and next will obviously see their service fee costs increase. For those affected, please understand that both Dudley blocks and Fairfax Court have large work schedules but are inhabited by fewer people than, for example, Brockman, Hewson or Hales. As redecoration continues and other blocks are included, then their costs will rise in proportion. As such the overall budget estimate for 2017 will be £70,949, some 2.6% lower than last year's figure. The projected estimate forecast by Countrywide when Managers was £108,000 for 2017.

We remain committed to providing the very best service at the most reasonable cost to owners and residents alike throughout the coming year. The Directors of the Management Company have given unstintingly of their time and expertise over the past year, to excellent effect. Their efforts would not bear fruit without the energetic implementation of CSMC policies and projects by Olga D'Silva, Peter Stock, Fergus Poncia, Kate Holland and Kristie Smith, who have worked so hard to raise the effectiveness of the Management. With regret we will be losing the services of Kate who has been instrumental with all planning issues, including tree cutting and supportive of all our efforts across a wide range of issues here at the Old Hospital. I would like to record our thanks for her time and professionalism over the past two and a half years.

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It is therefore also appropriate to inform you all that remuneration for those involved in the management has been agreed. A total of £8,000, the same as last year, will be paid to Directors this year to reflect their considerable time and effort. By rewarding Directors of CSMC, we hope to encourage others living at the Old Hospital to step forward and help run the estate. Accordingly we reduced Directors service fees by 50% in 2016 and will do so again next year bringing the total level of remuneration to £10,375. Current Directors in the main will be entering their third year of management and in the spirit of best practice it is important to have a turnover of such people, to bring fresh energy and ideas and to retain the support of all owners and residents. I would now like to ask those of you, not in favour of this remuneration, to raise their hands.

This does represent extremely good value if comparison is made with Countrywide or any other property management company. These incentives will, I hope, also encourage other residents to become involved in the running of the Old Hospital in future. I hope we can continue to receive the full support of owners and residents over the coming year.

To conclude, I have to inform you that I will be stepping down as Chairman at the end of this year and handing over the reins to the very capable Olga D'Silva, whom I have every confidence in. I will remain as one of the Directors for a further year to provide support to Olga and to help steer our new Directors David and Jonathan in their new roles.

Paul Peacock - Chairman CSMC Ltd

8th December 2016

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