

## Service Charge Working Party Report to RCC, November 2023

### 1.Members

Bernie Burrows

Adam Hogg

Helen Hudson

Sandra Jenner – Chair

Frits van Kempen

Fred Rodgers

Sally Spensley

Ted Reilly has also been working with us on Energy.

### 2.Areas of Activity since last report

Meeting 8<sup>th</sup> November - notes attached.

We reviewed all the outstanding actions from previous meetings with Pam Wharfe, Paul Murtagh's replacement. Pam has committed to investigating the issues and allocating dates for their delivery.

A further meeting is to be arranged with Anne Mason present to discuss Service Charge outturns, variances etc, improvements to budget process and the production of next year's budget and outstanding issues from the previous report.

It was agreed that a deferred payment scheme would be investigated for those residents who are in financial difficulty meeting service charge bills.

Gerri Scott is already investigating the viability of paying service charges monthly by direct debit.

- BEO Review
  - Further work continues on implementation. Adam and Sandra are representatives on the BRE Transformation Board, with Judith Finlay (Chair), Mark Wheatley, Anne Corbett, Helen Fentimen, Gerri Scott, Rosalind Ugwu and Pam Wharfe.
  - In addition to the Project Manager, a Service Improvement Manager has been recruited to drive implementation.

- The action plan is a working document and is being updated.
- Service Charge Audit by independent, external consultants is in the process of being commissioned. Dave Taylor and David Lawrence, both accountants and long-serving previous members of SCWP, are overseeing this workstream. This first audit must be a full 'drains up' review not a superficial overview.

- Energy

Following on from the agreement that an audit by independent, expert consultants would be commissioned Invitations to Tender were sent to six consultancies. Unfortunately, no bids have been received due to the complexity of the work necessary.

City Corporation's Energy Group are considering next steps, including approaching the big Audit companies and whether it would be possible, without compromising either audits, for it to be undertaken by the same firm as the Service Charge Audit.

NB the audit has 2 strands:

- 1 A detailed reconciliation for the 2 years where we know there were errors - 21/22 and 22/23 - showing how much residents had paid; how much they should have paid and the difference (if any).
- 2 An end-to-end review of the process which results in our energy service charges for efficiency and effectiveness and accuracy.

Ted and Sally are overseeing this from our perspective and they have recently been joined by Francois-Xavier Villemin who has undertaken some detailed analysis of Thomas More House energy costs.

- Repairs

- We continue to press for progress on the programme of work on the topmost, exposed windows to achieve the benefits.
- Jason Hayes is investigating using different suppliers/contractors for window repairs to see whether costs can be reduced without compromising standards. Due diligence needs to be undertaken on all firms under consideration. One under consideration does not have FENSA registration .
- There were 3 windows requiring urgent replacement. It seems that repairs may be feasible. Further work continues on this.
- We are still pressing to see the surveys for the topmost, exposed windows.

- There are some 50 balconies needing repairs and a programmatic approach is required to achieve economies of scale and other benefits but no progress has been made on this. In the meantime work on balconies has been halted due to the Health and Safety ban on hot works. An alternative approach – cold pouring – is being tested
- PW is organising a survey of leaks by specialist consultants

Given the amount of work to be done we have continued to work in groups of 2 so that a deeper dive can be undertaken into key elements of Service Charges:

Sally Spensley and Ted Reilly - Energy;  
Helen Hudson and Fred Rodgers - Repairs;  
Bernie Burrows and Frits van Kempen - Programmed work;  
Adam Hogg and Sandra Jenner - the BEO itself.

In due course, we will need to reconsider the approach and work of the Working Party in the context of the Implementation of the BEO Review

Sandra Jenner  
Chair, SCWP  
November 23