

Leaseholder Update Meeting

Tuesday 14 May 2024



Agenda

- Introduction
- Financial Update and Working Budget Summary
- Board Update on Priority Actions:
  - Financial Controls and Governance
  - Long Term Plan / Projects
  - Lifts Refurbishment
  - Sustainability
  - Review of Legal Services
  - Garages
- Managing Agent’s Update
- Board Priorities for next 6 months
- Q&A



MFEL Board

Clare Morton	Chair
Deirdre (Dee) Noonan	Finance Director
John Chrastek	
Khushroo Dastur	
Dean Buckner	Appointed January 2024
Alex Blake-Milton	Appointed April 2024

KFH

Gavin Owen	Divisional Director, Block Management
Stephen Britton	Senior Property Manager



Financial Update - Dee Noonan, FD

- Service Charge, Budget 2024/25
- Service Charge, Operational Budget 2024/25
- Service Charge, Projects Budget 2024/25
- Managing the Service Charge

Service Charge Budget 2024/25

Key Takeaways:-

- **Understand** the Service Charge Budget
- Demonstrate **Value for your Money**
- Encourage your **Feedback** ***(directors@manorfields.co.uk)***

Service Charge Budget ~ 2024/25

- Expenditure Budget for 2024/25 is **£1.767m**
- Total costs each year are split between
  - Annual Operating **(£1.072m)**
  - Project Costs **(£695k)**
- Annual operating costs are split into 3 main areas
  - Staff & Security **(£529k)**
  - Fees & charges **(£314k)**
  - Maintenance costs **(£229k)**

Budget 2024/25	£'000
Staff	419
Security	98
Cleaning & Office	12
Total Staff & Security	**529**
Professional Fees	134
Insurance	114
Utilities	78
Bank Interest & Other Income	(12)
Total Fees & Charges	**314**
Building Maintenance	118
Health & Safety	64
Garden Maintenance	32
Lift Maintenance	15
Total Maintenance	**229**
Total Operational Budget	**1,072**
Projects Budget	***695***
Total Budget 2024/25	***1,767***

Staff & Security Costs 2024/25

- **Staff costs**
  - Salary & Pension
  - Accommodation
  - Staff training & uniforms
- **Security Costs**
  - Security contract (£92k) *(£250 per day)*
  - CCTV maintenance and Door Entry maintenance
- **Cleaning materials (£7k)** *(£135 per week)*
- **Office Costs (£5k)**

Budget 2024/25	£'000
Staff	419
Security	98
Cleaning & Office	12
Total Staff & Security	**529**

Fees & Charges 2024/25

❑ Professional Fees

- ➢ KFH Management (£99k)
- ➢ Accountants (£10.15k)
- ➢ Legal & HR, a discretionary budget of £10k
- ➢ Trustee Fees & Tax £4.5k
- ➢ Surveyors, a discretionary budget of £10k

Budget 2024/25	£'000
Professional Fees	134
Insurance	114
Utilities	78
Bank Interest & Other Income	(12)
Total Fees & Charges	**314**

❑ Insurance *including broker fee £6.6k*

❑ Utilities

- ➢ Electricity & Gas £70k
- ➢ Water £4k
- ➢ Phone & Broadband £4k

Regular Maintenance Costs 2024/25

- **Building Maintenance**
  - Regular maintenance £19.5k
  - Damp & Cill works £58k
  - Lighting Project £16.6k
  - Drain Repairs £9k
  - General Repairs Contingency £15k
- **Health & Safety (H&S)**
  - H&S reports £46.5k
  - Regular H&S activities £17.5k
- **Garden Maintenance**
  - Tree Surgery £10.6k
  - Planting £8k
  - Other materials & maintenance £13.4k
- **Lift Maintenance**

Budget 2024/25	£'000
Building Maintenance	118
Health & Safety	64
Garden Maintenance	32
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Total Maintenance	**229**

Project Costs 2024/25 phased

Cost £'000 (incl VAT) 2024/25	*Units*	Total	Q1	Q2	Q3	Q4
Lifts	*3 Lifts*	234			156	78
Fire Riser Doors	*228 doors*	137			137	
Roads	*2 roads*	108		108		
Safe Roof Access	*7 Blocks*	90		13	39	39
Communal Doors	*25*	28	7	21		
Paths & Trip Hazards	*TBC*	20	5	15		
Pond	*Re Lining*	12		12		
Surveyors Fees		66		14	38	14
Total		**695**	**12**	**183**	**370**	**131**

**Surveyors fees on lifts, roads, roofs, risers only*

Project Costs 5-year cost estimate (2025/26 ~ 2029/30)

5 Yr Cost Estimate £'000	Total	2025/26	2026/27	2027/28	2028/29	2029/30
14 Lifts	1102	446	156			500
2 Roads	86	86				
Safe Roof Access 6 Blocks	78	78				
Cyclical Refurb	2325		775	775	775	
Main Gates	200					200
Roof Repairs	150		50	50	50	
Stair rails (H&S)	100		50	50		
Communal Door Entry	100				100	
Surveyors Fees	414	61	103	88	93	70
Total	**4555**	**671**	**1134**	**963**	**1018**	**770**

Managing the Service Charge

£'000 Principal & Garage	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Opening Reserve & Cash at Bank	2,026	1,912	2,125	1,875	1,797	1,664
Service Charge & Other Income	1,652	1,956	1,956	1,956	1,956	1,956
Operating Costs	(1,072)	(1,072)	(1,072)	(1,072)	(1,072)	(1,072)
Projects	(695)	(671)	(1,134)	(963)	(1,018)	(770)
Closing Reserve & Cash at Bank	1,912	2,125	1,875	1,797	1,664	1,778

**Service Charge (SC) Income in 2024/25 (£1,652k) excludes 2024/25 SC paid in advance in March 24 (£304k)*

Conclusion

- **Reserve** is built up and adequate for planned needs
- **Service Charge** aim to remain at current level despite inflation
- Focused on managing **Value for Money**

Feedback directors@manorfields.co.uk



MFEL Board's Priorities

- Financial Reporting, Governance & Budget Preparation
- Long Term Plan/Projects
- Lifts Project
- Sustainability
- Review of Legal Services
- Garages



Financial Reporting, Governance Budget Preparation

Operational Efficiency:

- Entrusted operational matters to KFH
- Enhanced professionalism in service delivery to leaseholders

Governance Focus:

- Enabled Board focus on governance, compliance, and long-term strategies



Financial Reporting, Governance Budget Preparation

Key Initiatives:

- Prohibition of petty cash transactions
- Stringent credit card expenditure monitoring
- Monthly expenditure reporting for transparency
- Budget overhaul for meticulous planning
- Monthly expense tracking for early discrepancy detection



Financial Reporting, Governance Budget Preparation

Key Initiatives:

- Comprehensive long-term plan and project portfolio review
- Rigorous annual project scrutiny and approval
- Establishment of robust project controls
- On-boarding TC Group for specialized leaseholder accounting
- Review of legal services for value-driven delivery



Long Term Plan /Projects

- Surveyors Panel
- Split of Projects and Review of 5- and 10-Year Plan
- Mandatory and Essential:
  - Fire Safety (England) Regs 2022 – Riser Cupboard Doors and Staircase Woodwork
  - Safe Roof Access



Long Term Plan /Projects

- Discretionary:
  - Communal front door refurbishment
  - Road resurfacing
  - Pond relining
  - Front stairwells
  - Rear stairwells
  - Main gates/entryphones



Lifts Refurbishment

- There are 23 lifts on the Estate. Phase1 - 2 lifts completed
- Phase 2 - 5 lifts scheduled for this year
- The following year's phase will have works to 5 lifts
- There will then be a 2-year break for the external refurbishment
- The remaining 11 lifts will be refurbished over the following 3 years
- We will write to those affected to give good notice of their works



Lifts – Phase 1

11–20 Girton &

11-20 Glenalmond Houses

- Works completed, on time and budget
- Snagging currently









Lifts – Phase 2

9-16 Balliol House, 9-16 Bede House, 1-8 Keble House,

1-8 Somerville House, 9-16 Somerville House

- S20 Notice issued
- Tenders have been issued, return date 9th May, report awaited
- If lifts are done consecutively the works may carry over to the following year.
- The phase 1 lifts were out of commission for 8 weeks each.



The Board’s Sustainability Committee

- Gordon Power, Cathie Sherning and others
- Pioneering work on energy usage
- “Manor Fields Emissions Footprint Report” October 2023



Communal Energy Emissions

6% of total emissions (source 2023 report)

- Mostly external lighting
- Transition to low energy LED lighting, increased use of timers
- Monitoring consumption on quarterly basis
- But high ‘standing charge’ (77 x £300) defeats sustainability efforts
- We have approached Secretary of State via MP



Private Energy Emissions

94% of total emissions (source 2023 report)

- Leaseholder responsibility
- But working with Sustainability Committee:
  - Investigating alternative energy sources, e.g. solar
  - Looking to increase supply and scope of EV charging points
  - Find other ways to address what we emit, consume, discard and recycle



Legal Review

- Board agreed to review following leaseholder feedback
- Four main areas of support:
    - Conveyancing
    - Deeds
    - Licences
    - Leaseholder & Company matters
- Expenditure analysed, estate agents polled
- 2 firms shortlisted from 8 recommended + incumbent. Selection shortly



Garages

- Ownership: 140 leaseholders, 9 Manor Fields (available for rent)
- Estate Office manages waiting list of interested leaseholders
- Audit of leaseholder-owned garages to ensure lease/service charge alignment

Kinleigh Folkard & Hayward

Achieved September 2023– May 2024

- Setting and managing budgets for service charges, staffing, repairs and maintenance
- Preparing long and short-term maintenance specifications, placing and managing contracts
- Setting up all systems, policies and procedures on site
- Managing the estate and buildings and working with directors, leaseholders and staff to achieve agreed strategies
- Identifying opportunities for improvement and development to enhance the estate performance, returns for leaseholders and improve the living environment for residents
- Out of hours arrangements



Kinleigh Folkard & Hayward

Setting and managing budgets for service charges, staffing, repairs and maintenance

- 2024-25 Working Budget
- Long Term Plans
- Monthly Reporting
- Approved Contractors
- Cost Management and Tracking



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Preparing long and short-term maintenance specifications, placing and managing contracts

- Surveyors
- Minor & Major Works
- Contract Reviews
- Condition Survey & CAPEX



Kinleigh Folkard & Hayward

Setting up all systems, policies and procedures on site

- Ongoing Review
- Communication
- Filing
- Health & Safety
- Utilities
- “Live” Maintenance Tracking
- Financial Controls



Maintenance

Set status

SB SC HW MC 6 Share Customize

Overview | List | Board | Timeline | Calendar | Workflow | Dashboard | Messages | Files

+ Add chart

Completed tasks

229

1 Filter

Incomplete tasks

119

1 Filter

Overdue tasks

36

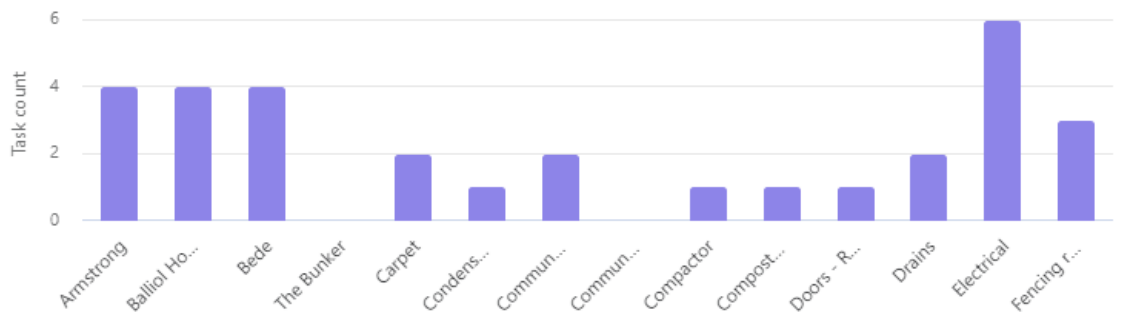
1 Filter

Total tasks

348

No Filters

Incomplete tasks by section



+ 26 more

2 Filters

Total tasks by completion status



1 Filter

Kinleigh Folkard & Hayward

Managing the estate and buildings, working with directors, leaseholders and staff to achieve agreed strategies

- Monthly Board Meetings
- Weekly Project Meetings
- Weekly Resident Drop-in Sessions
- 6-Monthly Leaseholder Meetings
- Twice Weekly Site Visits
- Newsletters
- New Software Applications



Kinleigh Folkard & Hayward

Out of hours arrangements

- Weekends and Evenings
- Specialist Out of Hours Service
- Reassurance of Priority Call Outs



Kinleigh Folkard & Hayward

We welcome your suggestions and feedback to help us manage your estate for the residents:

manorfields@kfh.co.uk

Thank you





MFEL Board's Priorities – Next six months

- New financial reporting and governance, and working with TC Group
- Continued scrutiny of electricity costs
- Appointment & onboarding of the Estate's new surveyor
- Maintain focus on projects & long-term plan
- Complete the legal services review and appoint legal firm
- Work with Sustainability committee to prepare for AGM
- Review Insurance cover in advance of 1st April 25 renewal



Your Questions