The Manor Fields Estate Ltd.

The MFEL 2022 LHM.

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29-Oct-22

Commenced at 10:00.

MFEL Leaseholders' Meeting - Contents.

1. MFEL Board and Management Update.
   - MFEL – Typical Annual Calendar.
   - MFEL – Finance Model.
   - Committees.
   - Communications.
   - Way Forward – future operating model.
2. Service Charges Update.
   - Principal SC Trends – from 1989 to 2023.
   - Principal SC Annual Expenditure.
   - Projected Trustee Reserves – Principal SC.
   - Garage SC Expenditure – from 2012 to 2032.
   - Projected Trustee Reserves – Garages SC.
3. Buildings and Project Updates.
   - Building Projects.
   - Refurbishment of Lifts.
   - Health and Safety with Roof and Fire Safety.
   - Security with Estate Security & Access.
   - Other Projects.
   - Sustainability.
4. Grounds Maintenance.
   - Gardens.
5. Q&A

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MFEL

Welcome to the 2022 MFEL Leaseholders' Meeting.

As you look at the presentation contents, I'll remind you how we'll run this meeting.
The meeting will be recorded for internal management use only.
We will deliver this presentation without interruption and then will open the floor to Q&A.
However, throughout the presentation, you may submit written questions through the tool available to you on your screen. These will be moderated. Questions submitted in this way may be answered during the course of the presentation and made visible to all attendees, or may be left to be answered verbally during the Q&A part of the meeting.

The board has received many pages of written observations and assertions from three leaseholders containing 67 complex questions of a very detailed nature. Some of these matters are vexatious and undeserving of any response. As these have been shared with so many leaseholders and presented as "facts", yet again we will have to prepare Q&A responses to address these.

Some questions will be addressed at the start of the Q&A part of this meeting.

Please, can I remind everyone that the Q&A session is an opportunity for all to participate in the meeting and disruptive behaviour may result in being muted.

When invited to speak, please respect the fairness of all leaseholders by raising only one topic succinctly.

The meeting will close at 12:00.

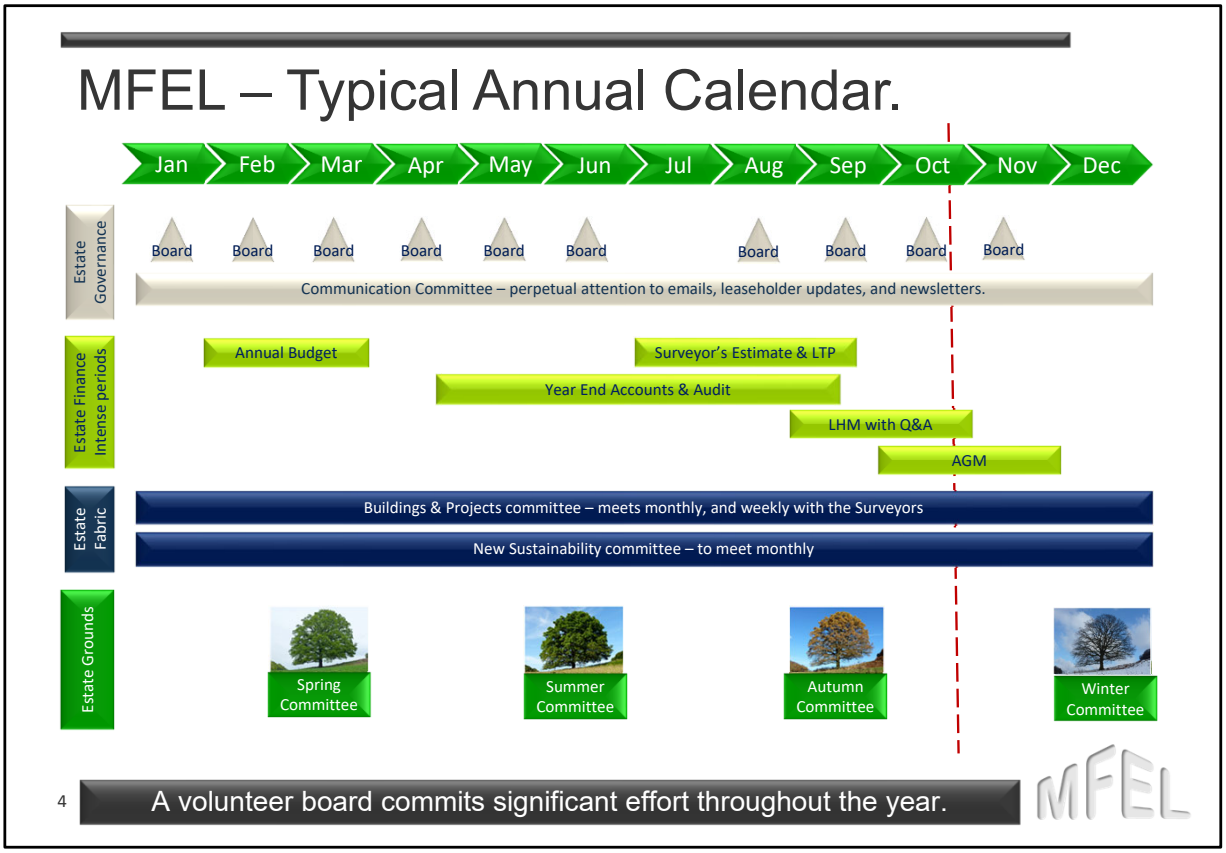
1. MFEL Board and Management Update.

Christina Harrison-Flynn.



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Firstly, I'll take you through our management update.



The board meets 10 months of the year.

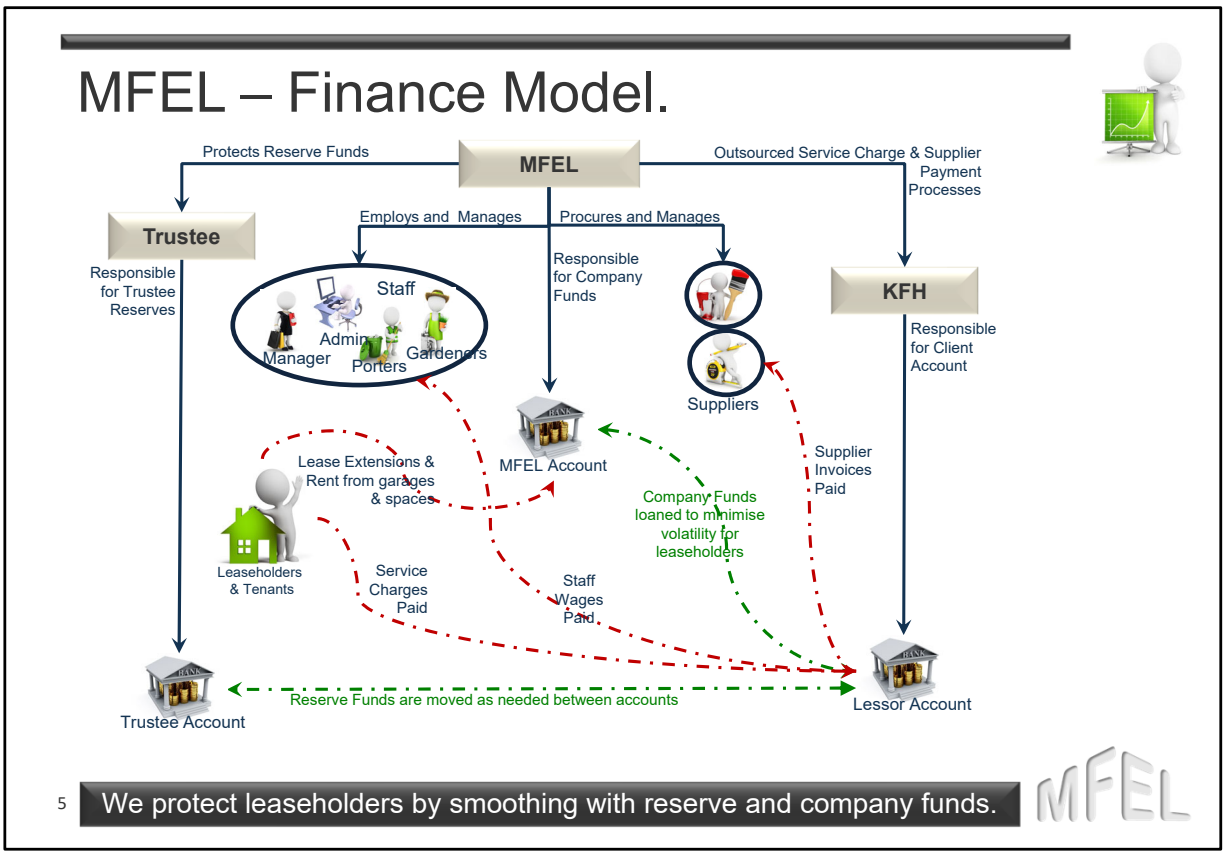
Communications with leaseholders are an ongoing challenge, where we are trying to improve the quality and frequency of what you receive, as evidenced through the regular communications, with substantial effort going into finessing their content.

The financial processes are, of course, daily, and become more intensive towards board meetings and major annual activities as depicted on this diagram.

We are pleased to report that 2022 has seen the addition of three new directors, albeit one of those has moved on.

Kenneth Maxwell joined the board in May but moved away from the estate less than 3 months later.

Engin Harman joined the board in May, and Clare Morton joined the board in October.



MFEL operates two legally separate set of accounts, one for the service charges, which are held in trust and are governed by the Trust Deed and our leases, and one for the company, which is a trading entity and you will find on Companies House. All long leaseholders hold a single share in the company.

Here you can see the company employs and procures staff and suppliers, whilst the service charge and payment processes are outsourced to KFH.

Consequently, we have multiple bank accounts, with balances and reserves being split across them.

Our service charges include an amount to support funding of long-term projects. These reserve funds are moved to the Trustee Account, and back again when major works require us to spend more than we collect in that year. It is this movement of cash between current and trustee accounts that we included in this year's published accounts and which we will talk to during the finance part of this presentation.

MFEL is the freeholder and owns flats, garages and collects rents in addition to income from lease extensions (there are just 12 left to extend).

It is a challenge to get balance right; we can be criticised both for having not enough and too much in reserves.

Committees.



	Members
1. Buildings and Projects – weekly and monthly, to:	John Chrastek Clare Morton [from November]
• manage S20, projects, surveyors, and suppliers. • conduct investigations and feasibilities. • brief and secure approvals from the board.	
2. Finance – as required, to:	Graham Houston Engin Harman John Chrastek *Grainne Coker*
• manage KFH and monthly board reporting. • deliver budgets and the long-term forecast. • coordinate year-end accounts and audits.	
3. Communications – perpetual, to:	Christina Harrison-Flynn John Chrastek Ann Uden *Grainne Coker* *Anthony Heaton-Armstrong*
• produce newsletters and leaseholder updates. • prepare for AGMs and leaseholder meetings. • coordinate legal and compliance activities.	
4. Gardens – seasonally, to:	Graham Houston Ann Uden *Many others per newsletter.*
• govern the garden activities on behalf of the residents.	
5. Sustainability – as required, to:	John Chrastek *Gordon Power* *Cathie Sherning*
• establish how we future-proof our estate.	
6. Way Forward – as required, to:	The Board
• develop the future management operating model.	

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Committees need additional volunteers to share the workload.

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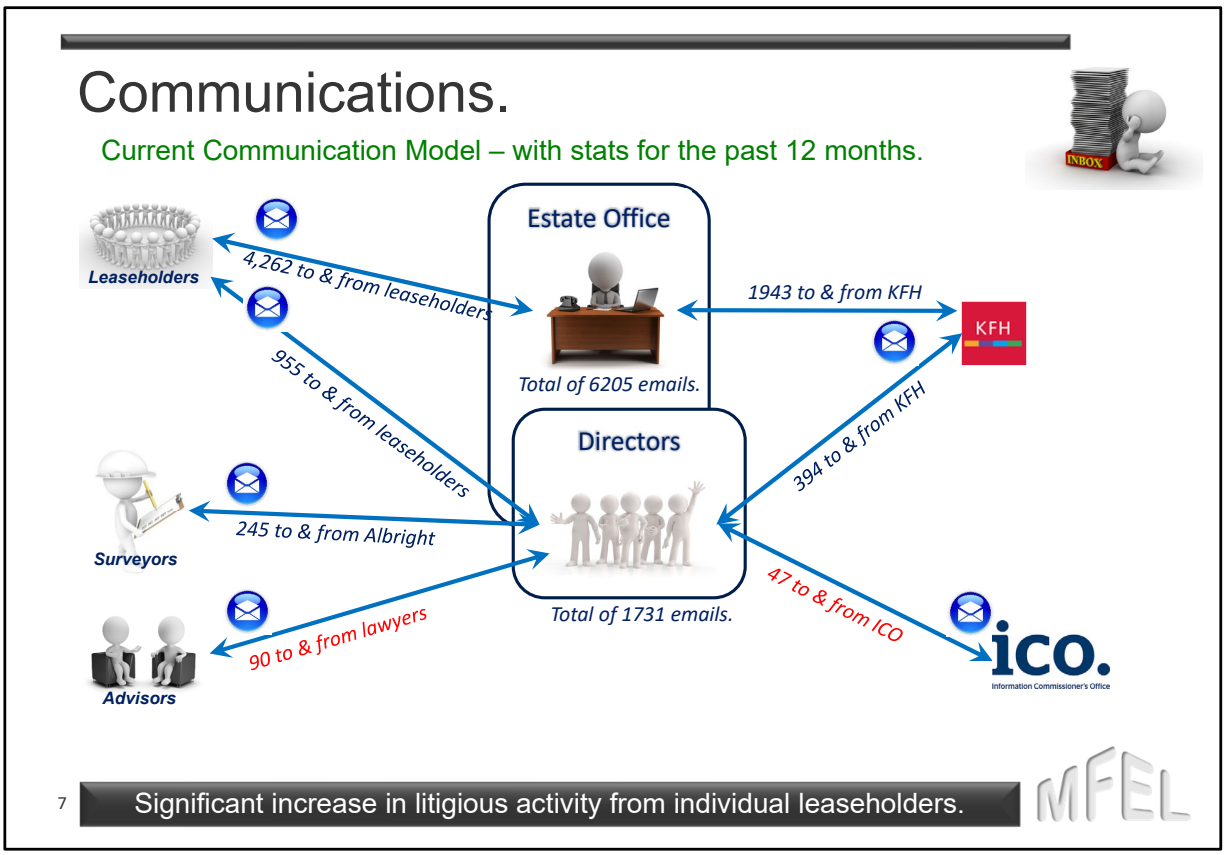
We have 6 committees.

Whilst 1-4 are business-as-usual, the sustainability committee is specifically looking at all the new technology and inevitable legislation that will accompany them to establish how we can be best prepared.

Where possible, we will look to see if grants or other government funding may be available to assist us.

With the way forward committee, we are looking at how we are structured and exploring what that needs to look like to support the 5 above.

If you would like to participate in and can offer skills to contribute to these committees, please do let us know.



The board has seen an improvement in the volume of email being sent to it but it remains too high and too intensive.

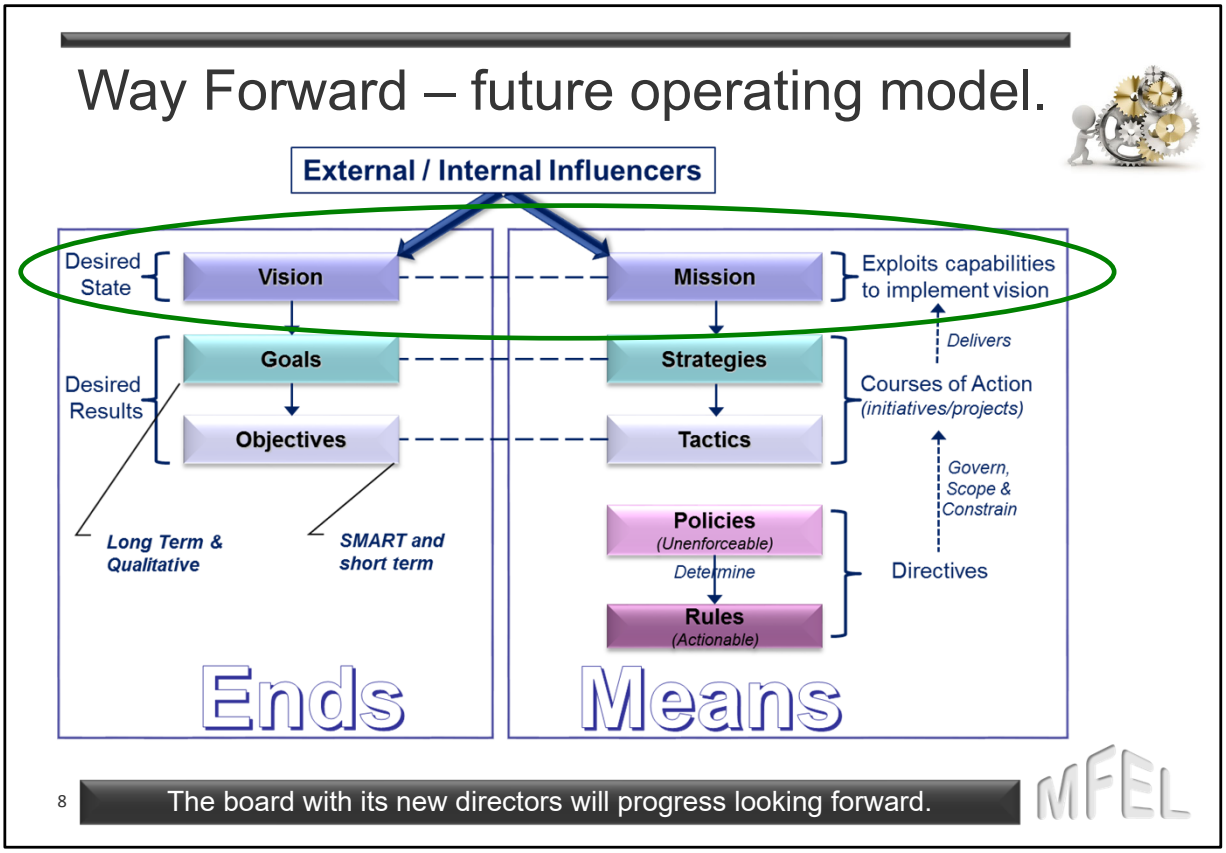
It is simply impossible to respond to some of those emails, which can run into 4 or more pages of text.

We don't have the capacity or inclination to trawl through it all and keep answering or rebutting the same old, same old.

More importantly, we're not legally obliged to. We are here to run the estate and want to get on with that.

Due to the particularly litigious nature of activities from a small number of leaseholders, we have had to focus too much energy on writing to and seeking advice from our lawyers in addition to providing evidence and rebuttals to the Information Commissions Office where vexatious complaints have been made against us.

For these reasons, whilst we would like to have had a leaseholder meeting in May, this was not possible. A volunteer board can only do so much. We do it for the love of and commitment to the estate. Unless or until this improves, the leaseholders meeting will remain an annual event.



Whilst the board made some progress last year, this activity has stalled.

With a renewed vigour and the addition of two new directors, we hope to pick up this important work again in the next few months.

We've started going through a structure process, as depicted on the slide, called the business motivation model.

Again, if anyone would like to take part in defining our future, please let us know.

I shall now hand over to Graham, who will take you through the high-level financials.

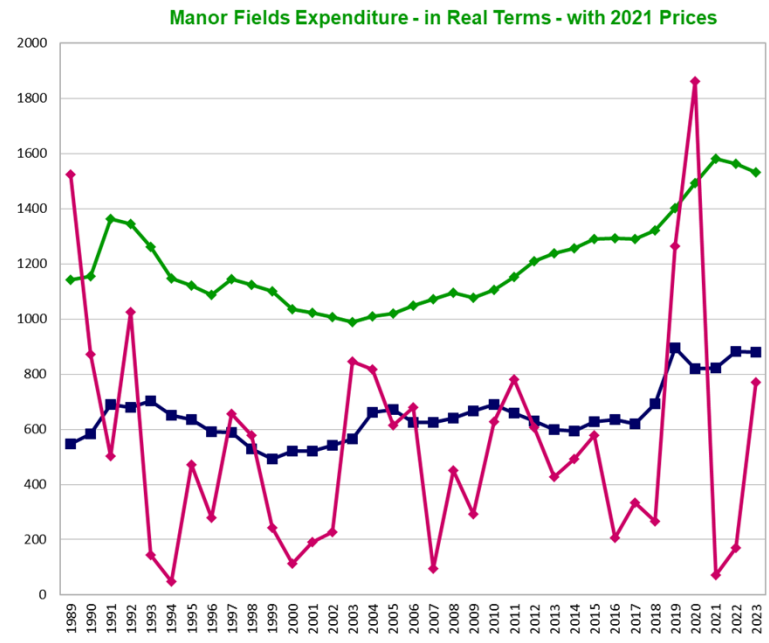
2. Service Charges Update.

Graham Houston.



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Principal SC Trends - from 1989 to 2023



Notable Points: -

a) The historical data has been represented using the CPIH Index instead of the RPI Index.

b) The 1989 to 1992 cycle cost £3.9m in real terms.

c) The 2019 to 2023 cycle cost £4.1m in real terms.

d) The 3 cycles in between these were an average of £3.6m in real terms, resulting in more complex scope and higher costs for the current cycle.

e) Annual expenditure, on average, is 54% of the total service charges.

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The 1989 peak was due to lifts, which will commence again in 2023.

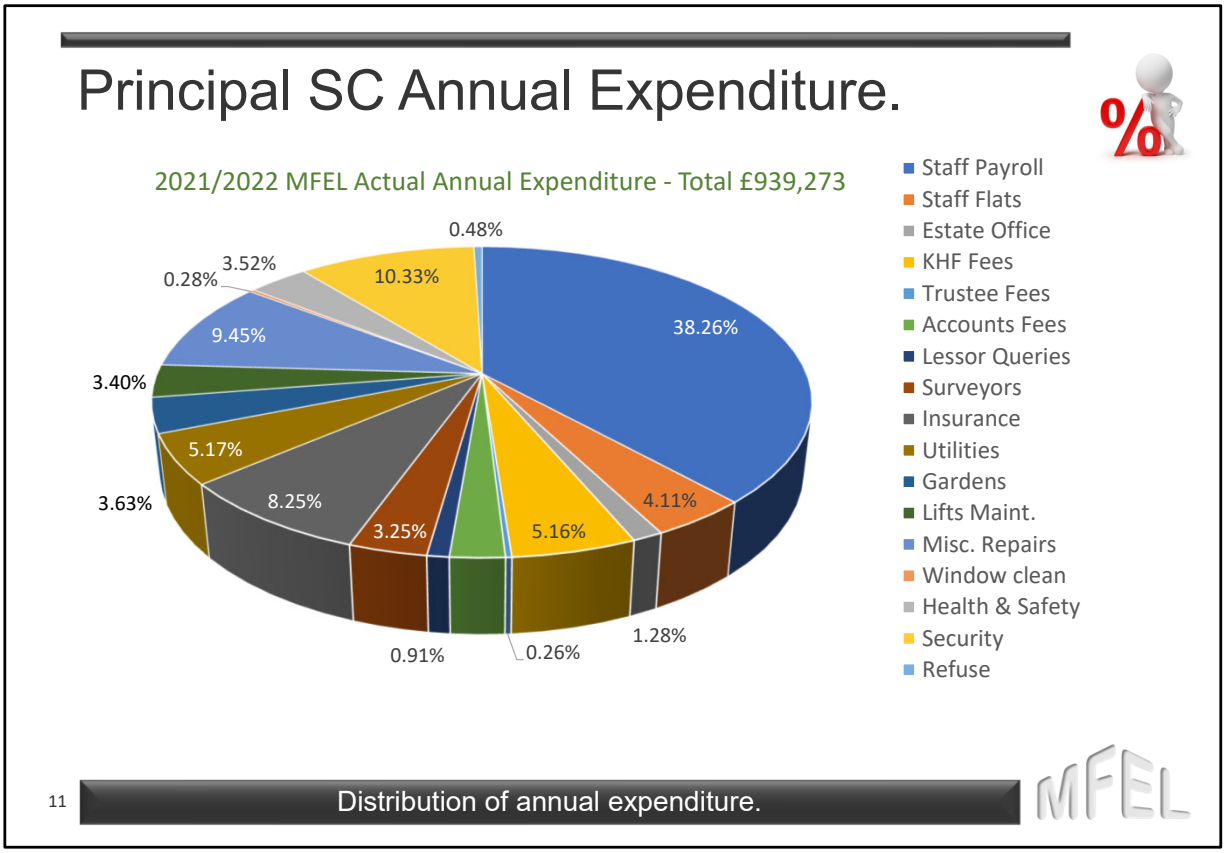
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Annual expenditure is quite variable and the trend is c.1% per annum upwards in the long-term.

Non-annual is more variable especially with building refurbishments.

Cost of refurbs trending upward especially in the latest round but we are expecting much lower figure next time.

Lifts are coming back into play as a major expense, which we plan to phase over a number of years.



Employment costs will tend to rise as real incomes rise over the long-term.

- we track against the London Living Wage.

Staff accommodation is a self payment, in that the company charges the rents to the service charge accounts.

Insurance is down a bit - we can't avoid the terrorism cost.

Electricity is liable to jump again: out next quote is £147,000.

Lift maintenance is rising – and has triggered the refurbishment project.

Accountancy fee halved without the audit costs this year.

Leaseholder relations costs down nearly £20,000.

Professional fees are primarily for our attendant surveyors.

Projected Trustee Reserves – Principal SC.

Year Ended 31 March	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Balance brought forward	1,047	907	614	935	1,332	1,309	1,227	1,353	2,356	3,390
Expenditure from Reserves										
Buildings Refurbishment										
Cyclical Refurbishment Program	728	-	-	38	750	750	750	-	24	-
Other works (inc Sustainability)	1	287	53	113	10	-	-	100	87	-
External Grounds Refurbishment	77	262	72	72	48	48	48	18	42	18
Internal redecorations:	44	44	20	20	20	20	20	20	20	20
Health & Safety	48	543	409	333	324	511	354	156	90	90
Garden and Office Equipment	3	8	13	27	22	3	3	3	3	3
Total Expenditure from Reserves	**900**	**1,143**	**605**	**603**	**1,174**	**1,331**	**1,175**	**297**	**266**	**131**
Contribution to Reserves	761	850	925	1,000	1,150	1,250	1,300	1,300	1,300	1,300
Balance carried forward	**907**	**614**	**935**	**1,332**	**1,309**	**1,227**	**1,353**	**2,356**	**3,390**	**4,559**

- We no longer forecast future service charges.
- This lists potential future work where we have discretion over timing.
- Costs are in 2022 prices.

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Reserves look high but long-term spending plans will evolve.

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This year, after consultation with our Company Secretary (Richard Benson), who attends our long-term planning meetings, we were advised not to attempt annual predictions of service charges and instead move to presenting the expenditure for the long-term plan and its consequential impact on our reserves.

This is the new form of the Long-Term Plan

--- Reserve movements only

- no annual expenditure

– no service charge forecast

– All in today's prices, instead of forecasting inflation

Build up of reserves in the accounts does not represent what will happen. The further out we go in the time plan, the less clear we are about what major project will need to be initiated.

Last year we circulated the detailed project information making up this summary table for the first time and we will be circulating the revised detailed plans shortly.

Garage SC Expenditure – from 2012 to 2032



- Individual service charge levels rose to a peak in 2020 to cover the Glenalmond garages structural refurbishment.
- Service charge levels return to a more stable level from 2025.

13 Lessons learned where reserves were insufficient for major issues.

We don't see major non-annual expenditure in the near term.

– We are likely to be able to drop the SC back nearer traditional level soon

Projected Trustee Reserves – Garage SC.

Year Ended 31 March	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Balance brought forward	147	262	382	442	472	487	462	487	492	517
rogramme of external repairs	5	-	5	20	10	50	-	20	-	50
Contribution to Reserves	120	120	65	50	25	25	25	25	25	25
Balance carried forward	262	382	442	472	487	462	487	492	517	492

- Garage door renovations have been completed in 2022.
- We are building back reserves after Glenalmond garage structural refurbishment.
- We need reserves of c. £500,000 to prepare for future works, including subsidence and a refresh of the flat roof.

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We are taking advice on future reserve levels.

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Reserves are held against unanticipated expenditure

we will only know if the planned reserves will address the potential works in the next year or two as surveys reveal the full extent of these issues.

– North House has already had problems with subsidence.

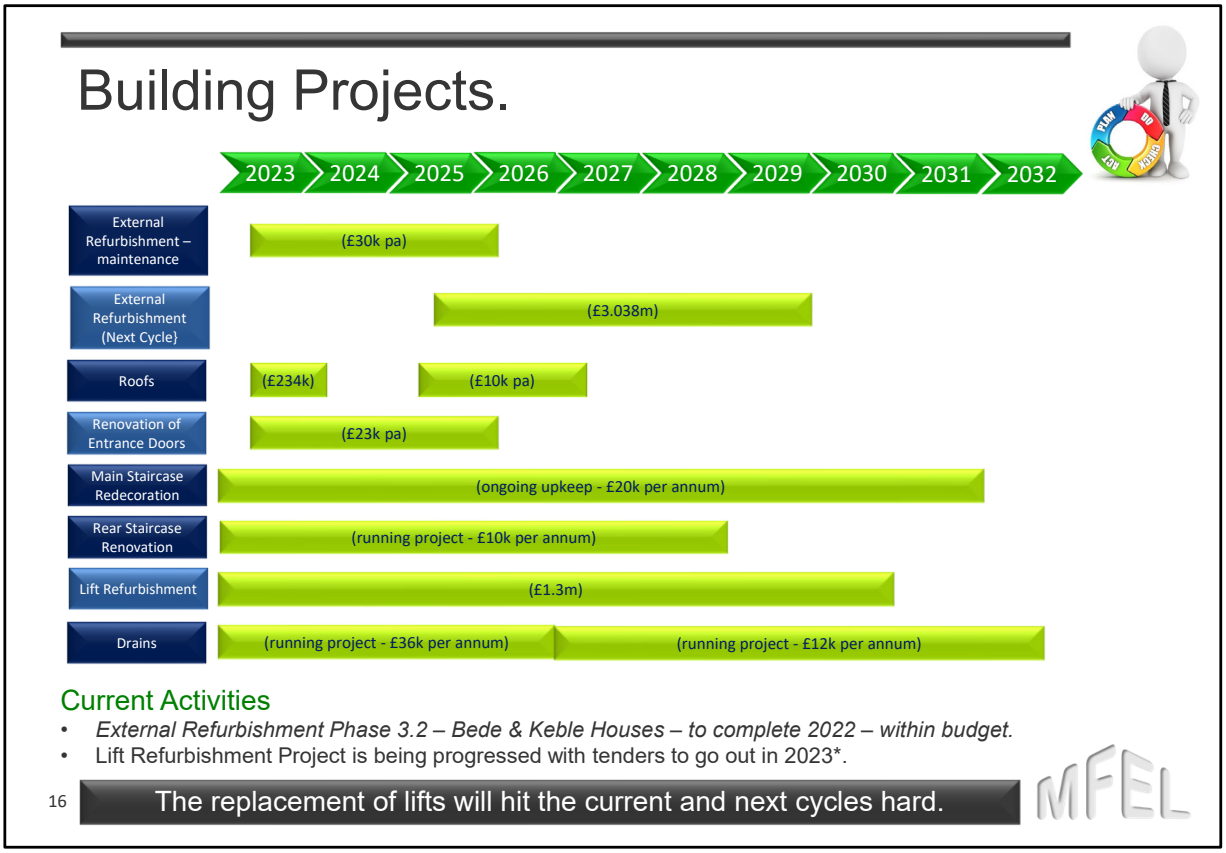
3 Buildings and Projects Update.

John Chrastek.



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• As chair of the Buildings and Projects Committee, I welcome to the Committee, Clare Morton, who very recently became a director. With her portfolio, programme and project management expertise I expect the committee to be even more effective. Any other leaseholder, with suitable experience, is most welcome to join the committee.
• Albright Surveyors continue to provide technical surveying expertise to the committee and the Board.
When necessary they are able to call upon particular specialists to investigate some of our more challenging problems.
The Estate Manager and I meet with Albright's weekly to review the Estate's requirements and progress on live projects.
• We are fortunate in having a number of trusted small contractors who can be called upon to promptly deal with the frequent day to day issues that crop up on an estate of this size and age.
•Contractors for larger works are procured by competitive tender to specifications prepared by the Surveyors.
•The following sides show the various Projects planned over the next 10 years and I will be addressing the key items.



Projects

Phase 3.2 - External Refurbishment of Bede and Keble Houses is anticipated to be complete before Christmas, provided the weather stays benign.

The next cycle is planned to start in 2025 with the works starting in 2026 hopefully mainly redecoration following the extensive repairs carried out in this cycle.

As we now regularly have a cherry picker on the estate to carry out high-level repairs, we will use the opportunity to carry out high level inspections and preventative maintenance to combat the worst ravages of time and weather before the next round to mitigate the extent of those works.

Roofs – inspections of the flat roofs have highlighted the need to recoat the waterproofing and upstands.

Main hall and staircase – these are still in good condition, provision here for repainting, as necessary, below the dado rail which gets most of the wear.

Renovation of the rear staircases to Keble and Bede houses has been undertaken as a test which we think has been successful. A project will be created to role this format out across the other blocks.

Lift refurbishment will be addressed in the next slide.

Refurbishment of lifts.



Background

- The twenty-three lifts last underwent modernisation 33 years ago.
- Inspections are carried out twice a year by a Lift Insurance Inspector.
- All key components have exceeded their designed working life.
- Ardent, a specialist lift consultancy, inspected all lifts early in 2022 and produced a comprehensive report.

Reports

- The Insurance Inspector reports that, while the lifts currently remain serviceable, this cannot be relied upon for the future.
- The Ardent report identified that significant components in the lifts were obsolete and not replaceable and that these components were likely to fail in the short to medium term rendering a lift unrepairable.

Budget and Timescale

- Budget costs have been obtained from our maintenance company and consultants, suggesting an overall cost in the region of £3m.
- A timescale of eight years is proposed taking into account other major projects already programmed. The consultants are working on the scope of works and specifications for the tenders to go out early next year.

17 Upgrading and refurbishing – but not replacing.

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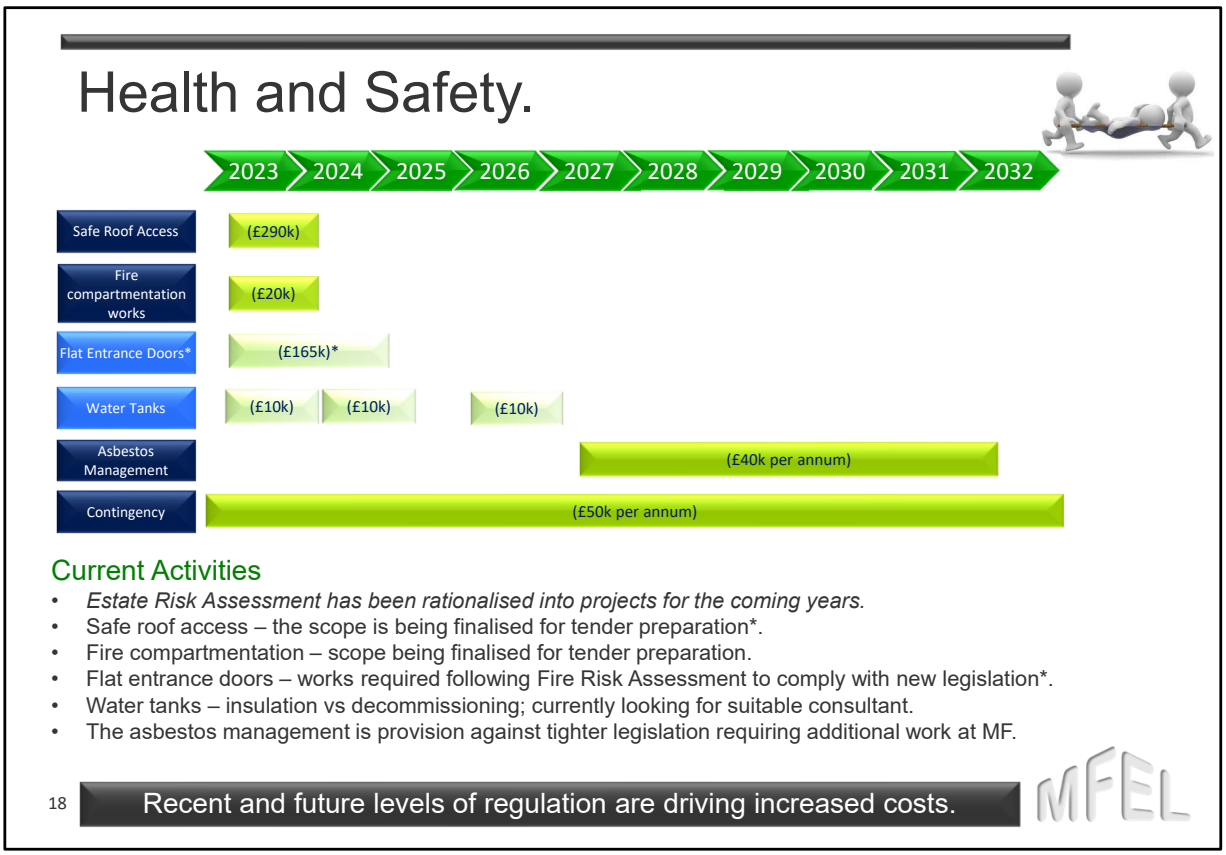
The lifts were last refurbished 33 years ago and with rising numbers of callout s for various issues a detailed survey was commissioned by the Board. This confirmed the conditions reported by the insurance inspectors that the key components of the lifts were now obsolete and likely to fail in the short to medium term.

The lift consultant advised that refurbishment was the simplest and most cost effective option to renew the lifts.

Advice from this consultant and our current maintenance contractor has given us a budget figure of £3m to carry out the necessary works.

Given our commitment to other future works and to keep the service charge at affordable levels we plan to carry these works out over the next eight years.

The consultants and our surveyors are working on the scope and specifications to enable tenders to be issued in the new year.



Safe Roof access – next slide.

Fire compartmentation works – these are necessary to ensure that fire cannot break out of the flats into the cupboards on the landings allowing smoke to build up in the fire escapes. In future this will be a requirement on any licence to alter for leaseholders. Necessary to keep fire escapes and staircases free of residents' property. Refuse should ideally not be left outside your flat for longer than necessary i.e. put out in morning of collection.

Flat entrance doors – next slide.

Water Tanks – to mitigate potential legionella issues we have been advised to further insulate our roof water tanks. As an alternative we could decommission them altogether but this requires further investigation, part of which was to survey all residents to find out those that were still relying on water from the tanks. Unfortunately we did not receive the necessary information from a number of residents which will require further action.

Roof Safety



Background

- Manor Fields contractors require occasional access to the estate roofs for cleaning, maintenance, repairs and access to equipment.
- The health & safety consultants for the estate, Tetra, have advised us that safety on the roofs must be improved – there are currently no safety systems in place.
- Five roof safety companies have been approached to advise on types of safety system and costs to supply, install and maintain. Tenders are being prepared.
- All MF contractors will have to undergo safety at height training once the project is complete.





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We've been on a long journey with various solutions considered.

MFEL

We had hoped to have completed this project but a number of factors have yet to be resolved:

- the variety of solutions offered by the different companies is still being investigated to determine the best solution for us.
- the wide spread in cost is also being investigated.
- delays in receiving quotations or specification information from contractors.

We hope that these can be resolved in the near future so the works can be started.

Fire Safety



New legislation, including the Fire Safety (England) Regulations 2022, is bringing in a number of key changes including some important new requirements for fire doors.

Talk from Fire Consultant - Adena



Including:

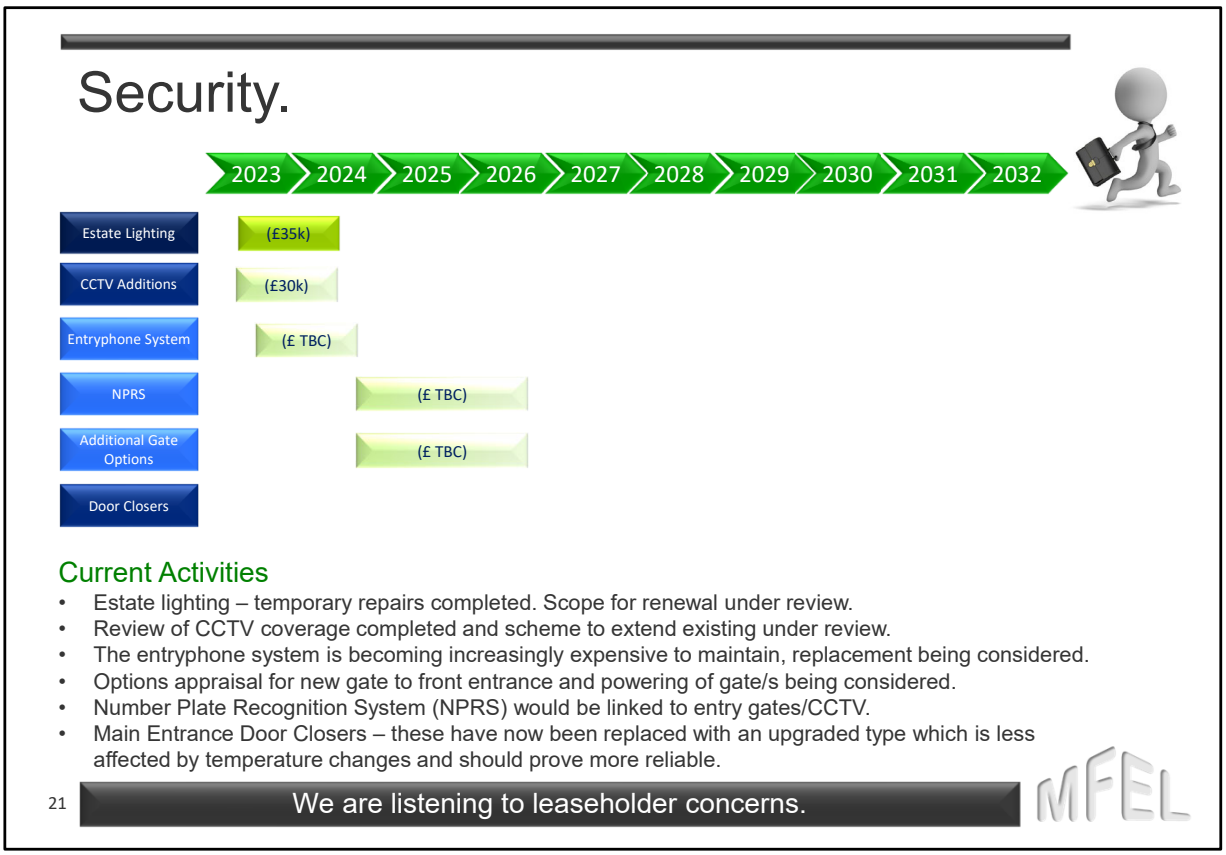
- Fitting a door closer and a third hinge.
- Installing an intumescent strip and brush to the top and sides of the door.
- Installing fireproof letter box and glazing.

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Reminder: you must keep all fire escape stairs and landings clear.

MFEL

Self explanatory



Street lighting - Following an intensive survey of the existing street lighting it is clear that the system needs to be re-wired, a number of the lamp-posts are significantly corroded and need to be replaced. The surveyors and I have met with the manufacturer of the original posts and they are helping to put together an appropriate updated lighting scheme. We hope to start work on the installation in the next financial year.

CCTV – we are finalising a scheme to extend the existing cctv around the perimeter of the Estate. We are benchmarking costs and looking for additional suitable contractors.

Entryphone System – the current system is increasingly unreliable and expensive to maintain. We have a scheme for its replacement and are looking for suitable suppliers to tender for the works. Replacement panels in stainless steel would eliminate the need for the porters to polish them and be about 50% cheaper.

NPRS – this would provide additional cctv cameras to the entrances to the Estate. The number plate recognition system would be required if the following project to turn the Estate into a gated community.

New Gates – A proposal to put gates across the main entrance has been developed. How ever there are varied views on whether or not we should go this route.

The costs for these last items are still being reviewed.

Door Closers – the old ones have been replaced with a more robust version which seems

to be working well in most entrances.

Estate Security & Access



Background

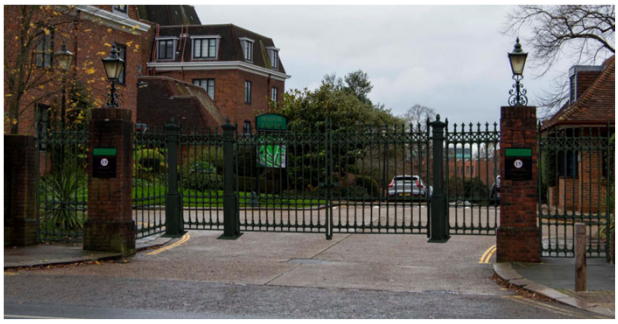
- A project has been opened to assess whether the estate security could be improved.
- The video door entry systems are aging and frequently break down resulting in frequent callouts.
- A local security system supplier has drawn up initial plans which will be subject to a full review.
- These ideas include upgrading the door entry system, providing more CCTV cameras, ANPR access at entrance gates and reinstalling gates at the main entrance.



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Image for illustration purposes only *



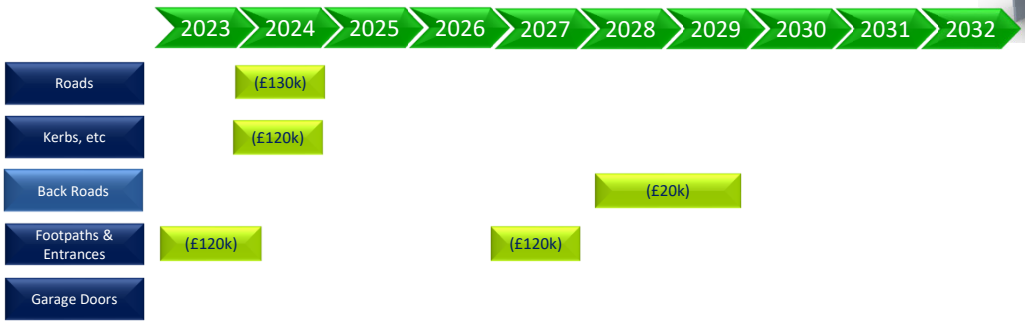
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How do you feel about the potential for living in a gated estate?

This slide shows how the new entryphone system and estate gates might look

Other Projects.





Current Activities

- Roads – works to refurbish remaining main roads.
- Kerbs, Gullies and Manholes – where associated with the works to the roads.
- Back Roads – future project to refresh with new tarmac surface.
- Footpaths and Entrances – on going make over.
- *Garage Doors – full renovation completed 2022 on time and within budget.*

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A collection of ad-hoc projects addressing hard landscaping etc.

MFEL

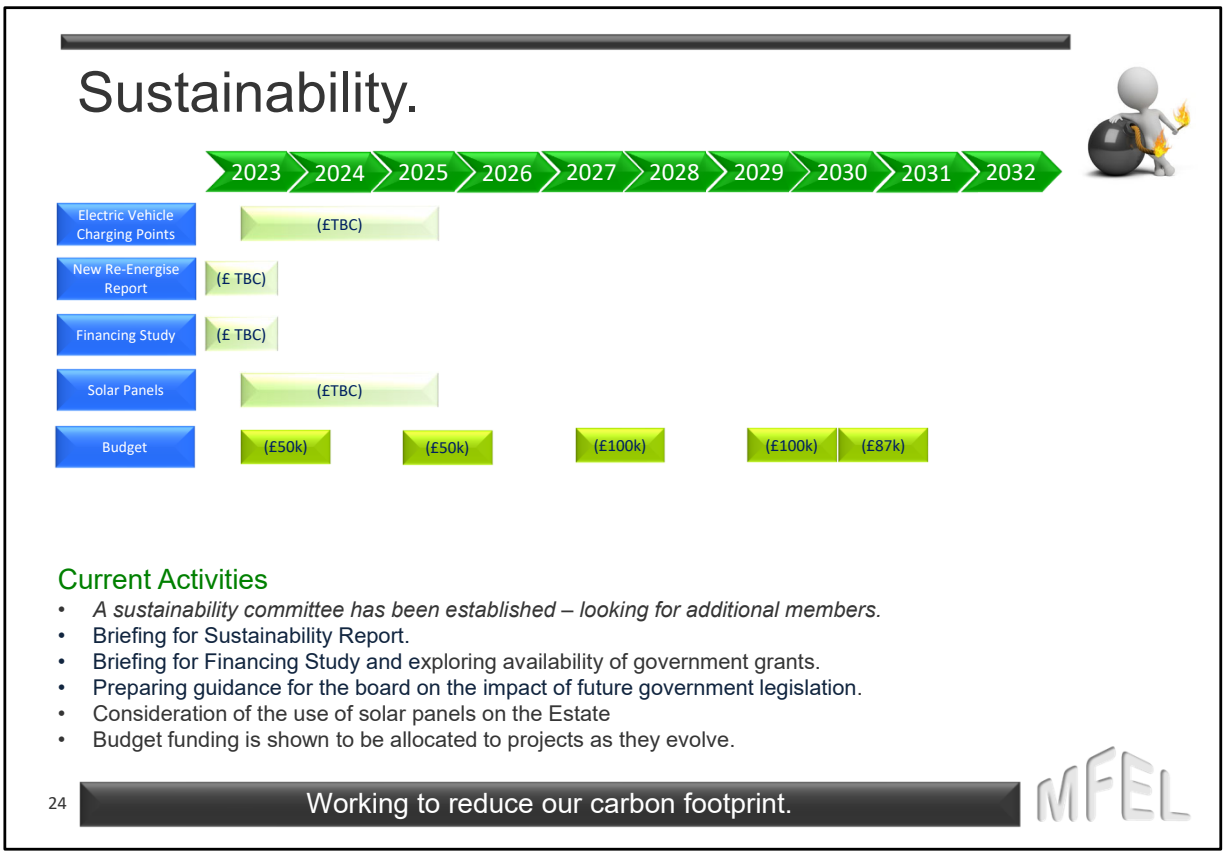
Roads - replacement of the roads programme was discontinued before the start of the recent external refurbishment. I have identified a relatively new process which is being used by the Highways Authority and various local councils to renovate concrete roads, this will not require the digging up of the existing roads and can be completed much more quickly.

Kerbs, gullies and manholes – these will need to be repaired/replaced/adjusted in line with the new road surface and will require an additional contractor.

Back roads – when the front roads are complete we will need to attend to the roads at the rear of the blocks. This will be in asphalt as can be seen at the rear of Balliol House.

Footpaths & Entrances are monitored regularly for deterioration and trip hazards, and repaired or re-laid accordingly. The budget in 2030 is in case major works are required.

Garage door redecoration was completed earlier this year giving a good consistent standard to all the doors now.



The Sustainability Committee has met in the last year and had discussions on terms of reference and how it will support the Buildings and Projects committee by researching sustainable solutions to various sustainability issues on the Estate.

The key objective will be to reduce the carbon footprint of the Estate.

The committee is in the process of commissioning a report on the energy needs and sources for the Estate.

We are also looking to source a report on available government grants and various ways of financing the sustainability initiatives for the Estate. The committee will also look at how it can work with the Finance Committee on these issues.

4. Grounds Maintenance.

Graham Houston.



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Gardens.



	2023	2024	2025	2026	2027
Replacement Mower (£)			(£15k)		
Pond Refurbishment (£)			(£10k)		
Garden Irrigation System (£)				(£20k)	

Current Activities

- *We weathered the winter storms and summer drought with modest damage.*
- *The window box irrigation system which was installed in 2022 proved invaluable.*
- *We are bringing forward the work to establish how we can better utilise our own water sources.*
- *We'll be expanding out tree planting, starting with the Jubilee Tree.*

26 Evolving our planting strategy to reflect a changing climate.

MFEL

The summer drought has driven home the need to use our own water

- from the sumps under Mansfield House

Stuart has plans for a rill/water feature in the central copse, which will be fed from the flooded boiler house. This needs connecting to the existing water distribution system, which is to be extended.

(Plans to use this water were put on hold when it was deemed to be contaminated by asbestos, but it has now been tested asbestos free.)

We'll be planting more trees, starting with the Jubilee tree this autumn

Q&A.



27 We'll take a comfort break for 5 minutes and commence Q&A afterwards.