

Open Letter from Directors of Leicester House Right to Manage (RTM) Company Limited

Dear Leaseholder & Member,

The purpose of this open letter is from us, the Directors of Leicester House RTM, is to take the opportunity to clarify a few issues and answer questions that have been brought to our attention recently.

Additional Service Charge Demand

We have heard that some of you have been concerned about the recent additional service charge demand issued on 11 June following the sign off / publication of 2019 Year End Accounts and associated deficit. Some of you had no recollection of the letter sent with the service charge demand last November and, although the full details of the demand and the reasons for it were set out on the NRM flat owners' portal, they were hard to find. Others were unaware of the portal existence. Leaseholders with ground floor flats or flats with their own entrance and who do not contribute to lift maintenance were concerned by the reference to lift maintenance outside of normal maintenance contributing to the deficit. These particular leaseholders would not expect to contribute to that specific element of the 2019 deficit. At least one flat owner says that they did not receive an additional invoice at all. Finally, some flat owners were surprised that payment had to be made within four months, given the financial impact of the current pandemic.

We are sorry about this confusion, and so have asked NRM to send out to each flat owner the information which was attached to the November 2019 service charge demand. This shows how the service charge deficit has built up. They will also send out the correspondence from the insurance broker which explains why the roof repair charges would not be met by insurance. We have also asked NRM to confirm specifically to leaseholders of ground floor flats or flats with their own entrance that they are not bearing the extra lift costs within the 2019 deficit. NRM will also ensure that every flat owner receives a copy of the demand by either e mail or post, depending as to how you receive communications. Finally, although we ask that all service charges paid by instalments are paid in full by the end of October each year, members experiencing financial hardship due to the ongoing pandemic are encouraged to make contact with NRM so that alternative repayment terms can be agreed to ease their situation.

In turn, this has encouraged us to review communications generally. A lot of information is contained on the NRM flat owners' portal at <https://www.nrmportal.com> but new flat owners may not be aware of it; it is also not as easy to navigate as it might be. We are working with NRM to improve this. We are also considering how best to keep flat owners informed about things which impact Leicester House and will be in touch about this when we have concluded what might work well.

The lifts

We turn now to other issues which are of concern. Many of you have complained about the reliability of both of the lifts in Leicester House with a number of residents trapped inside on several occasions. That is obviously of great concern. NRM, who are responsible for the upkeep of the lifts, changed their sub-contractor to Genesis Lifts at the start of the year. This was as a result of service quality issues with their previous subcontractors. We are now reviewing the performance of both of the lifts over the last 12 months. Lifts have an average service life of 20-25 years so a full refurbishment for both is several years away, but if necessary we will commission an independent lift consultant's report to tell us if further work is necessary to improve reliability. We will report back once we have more information to share.

The pond and the felled tree

Some of you have raised the present condition of the pond in front of Leicester House. Although we overlook the pond, its maintenance (and that of most of the gardens in front of the development) is undertaken by a separate residents' management company. Fellowes Plain Estate Management Company Limited (FPEMCL). They have told us that a leak was found on

undertaking routine maintenance of the pond and the management company are at present considering what work is necessary to return the pond to its former glory. In addition, one of you has queried the felling of the large tree which took place in February; this was necessary as it was damaging the boundary wall and was unsafe. However, two trees, with the potential to grow a similar tree canopy, will be planted close to the original to replace it. The cost of the pond repairs will be covered by the reserve funds of FPEMCL and therefore a deficit will not be caused for members.

Other sources of information

When the redevelopment of this former Norfolk and Norwich Hospital site was undertaken, the developers established a rather confusing series of management companies, a legacy within which we have to operate. Those which impact on Leicester House are FPEMCL, mentioned above and St Stephen's Pavilion Management Company Limited (SSPMCL). SSPMCL is responsible for the upkeep of a small strip of land around Leicester House and the parking spaces for 28 leaseholder/members in the Pavilion Building car park. FPEMCL and SSPMCL have their own very useful websites at <https://www.fpemcl.co.uk> and <https://sspmcl.co.uk> respectively which show the areas for which they are responsible. NRM manage their parts of the estate too, so please contact them if you have any queries in relation to those companies.


We hope that this is helpful. Please don't hesitate to get in touch if you have any queries in relation to this letter. Members should of course continue to report maintenance/repair/account queries directly to NRM. Details of how to do so are on NRM's website at <https://www.nrmltd.co.uk> Or call 01603 670050.

Best wishes

Clayton Hudson
James Rollingson
Nicholas Pike
Directors, Leicester House RTM Limited.

Members of:





**NORWICH
RESIDENTIAL
MANAGEMENT**

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Norwich Residential Management & NRM
are trading names of Norwich Residential Management Ltd

Date: November 2019

IMPORTANT INFORMATION REGARDING YOUR PROPERTY

Leicester House RTM Company Ltd Service Charge 1st January to 31st December 2020

Please find enclosed your Application for Payment (AFP) in relation to the above. Your Water Charge Adjustment for the period 28/11/18 to 27/11/19 has been calculated and applied to your account as either a debit or credit amount accordingly and is dated 31/12/2019 on your AFP. The account adjustment, also dated 31/12/2019 (if applicable), relates to the deficit in the Service Charge accounts for the period ended 31/12/2018.

PAYMENT OPTIONS:

- **Payment in full of your account balance by 1st January 2020 via bank transfer:** please see overleaf for account details. Please put your Account Reference as the payment reference to allow us to allocate your payment.
- **Payment via Direct Debit:**
If you are already registered for this service your AFP will be stamped accordingly and will be collected as follows:
 - **Account Adjustment to 31/12/18** (if applicable) in full on 1st January 2020
 - **Water Charge Adjustment** (if applicable) in full on 15th January 2020. If you have a large amount due for this adjustment, please contact us regarding a payment plan accordingly. If you have a credit applied for this adjustment then this will be deducted from your Service Charge amount prior to collection.
 - **Service Charge** in 10 equal instalments from 1st February to 1st November 2020 inclusive.

If you are not already registered it's not too late. Please email directdebits@nrmltd.co.uk to request your unique link to sign up. You must register for Direct Debit by **Friday 13th December 2019** to allow us to collect the first payment on 1st January 2020. You will receive an email 3 days prior to each payment being taken from your bank account. There is no additional charge for this service.

Need for Payment

Your Management Company is entirely dependent on you and your neighbours' prompt payment of Service Charges in order to implement and pay for services and insurance. Failure to meet this charge on time may affect the ability of your Management Company to pay suppliers, which may impact on the delivery of services to your community.

Water Charges

The prepayment for water is £225.00 for the year. Meters are checked every quarter and we highlight to tenants and Leaseholders if we believe usage is high (compared to average). Should you need us to advise you of water costs for a tenanted period, please email us at meterreading@nrmltd.co.uk and we will read your meter and calculate the usage. Please note: you are responsible for the water charges and need to recharge your tenants accordingly.

Please turn over

Client Bank Account

We are required to inform you that the bank account in which the funds are held on behalf of the Management Company is an instant access interest bearing account. Any interest earned is credited to the Management Company Accounts each year. The details of where the funds are held are as follows:

Barclays Bank Plc, 5-7 Red Lion Street, Norwich, NR1 3QH.

NRM Leicester RTM Client Account

Sort Code: 20-62-53

Account No: 50463329

Budget for 2020

Please refer to the separate sheet for the 2020 Budget. Please review the individual headings for the services provided and relevant costings. This was discussed with and approved by the Directors of your RTM company.

Service Charge Element (day to day maintenance): This has increased by £743.90 or 2.13% compared to 2019. This is mainly related to block insurance premium increases (due to increased claims for water leaks). We would urge all owners to carry out inspections of their apartments and pay particular attention to the mastic seals around baths/showers as well as checking under baths for pipework issues and waste drainage faults.

The Reserve Fund for external redecoration was set last year at £18,010 to collect £90k over 5 years (based on a 2% compound increase on the actual costs incurred in 2018).

Service Charge Accounts to 31/12/19

As discussed at the Leaseholder meeting and communicated via updates during the year, major works were completed on the roof terrace of a property which was causing water ingress. This work, along with repairs to the lift, has pushed the projected Service Charge accounts into a deficit (currently circa £10k). Therefore, once the accounts are finalised (around March 2020), copies will be circulated and your share of this deficit (as prescribed by the Lease) will be recharged. We are not able to claim any of this work against the buildings insurance (please see the enclosed correspondence from the Insurance Broker for reference) or offset it against the Reserve Fund as we need to maintain this to cover the external redecoration required every 5 years. A payment plan will be offered to spread payment of this deficit amount if required.

Communication

Norwich Residential Management (NRM) strives to communicate effectively with all clients. NRM will only send communication by post for statutory demands (as required by the Lease). All other communication(s) will be sent by email and/or be available on our online portal. Please ensure NRM has your latest email address and you register on and check the portal regularly. For reference, the portal provides property owners with access to their statement of account, information about their development, helpful resources for their property and information on the wider development / estate. The Portal can be accessed via the NRM homepage <http://www.nrmltd.co.uk/>

Should you require any further information, please don't hesitate to contact us,

Yours sincerely

Service Charge Team

Norwich Residential Management



To avoid reminder letters and late payment fees
sign up for Direct Debit for all your payments.
Email us: directdebits@nrmltd.co.uk



Guy Hudson

From: Scott Jarvis
Sent: 19 August 2019 09:35
To: Guy Hudson
Subject: Leicester House - Claim Ref. 670716 -

Guy,

I write further to our conversation on 16th August 2019 to formally confirm that Axa Insurance have repudiated the majority of the costs in connection with this claim. The only part they would respond to is the internal redecoration which would fall below the policy excess anyway.

The main reason is that the proximate cause was water ingress over a long period of time due to the roof membrane being in a poor condition. Whilst the resultant water damage to the internal ceiling is covered, any costs associated with tracing of the water ingress and repair is not as they do not emanate from an insured peril.

I have applied pressure to Axa to reconsider their stance from a commercial relationship perspective but that has not worked in this instance as the policy wording is very clear and unambiguous.

For instance, Trace & Access only relates to:

2 g) Bursting or leaking of water apparatus and the escape of water from or the freezing of any fixed domestic water or heating installation but not:

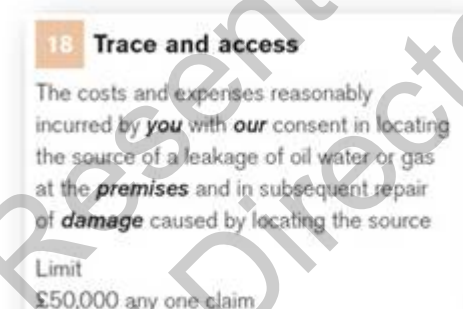
- Damage caused by wet or dry rot rust corrosion or other wear tear and deterioration

3 b) Pipes Cables and Drains

the cost of repairing accidental damage to cables underground pipes and drains (and their inspection covers) serving the Block of Flats or Private Dwelling House but not:

- Damage which You are not legally responsible to repair
- Damage caused by rust corrosion or other wear and tear

This wording is very much market standard having compared this with Aviva, Allianz and NIG, but one known insurer (Ecclesiastical) does have a wider wording as per the below extract.



I am sorry this is an unsatisfactory outcome but I assure you I have pushed this as far as I can within Axa.

Kind regards

Scott Jarvis
Director- One Broker (Norwich) Ltd

