

To All Leaseholders
Canary Riverside Estate
Westferry Circus
London E14 8RH

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27 March 2023
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Dear Leaseholders

Canary Riverside Estate – Budget 2023/24

Please find herewith the new service charge budget for the year commencing 1st April 2023 with supporting guidance notes. Despite all the inflationary pressures, you will be pleased to see the overall increase is less than 2% over last year.

With the April half-yearly billing I am taking the opportunity to apply two credit adjustments which will benefit the owners of car parking spaces.

- a) You may recall that we earmarked a prior insurance reserve to serve as a contingency against aspects of the cladding remediation that may be ineligible for funding. This was needed before the extent of government funding became apparent and prior to recent legislative changes under the Building Safety Act. However, whilst the insurance reserve applied to the residential towers plus the car park, cladding remediation and associated external repair costs only applies to the structures above ground.

In fairness I am therefore crediting the relevant car space owners for their proportion of the £107,200 insurance reserve that had been allocated to the residential car park. This appears as a line-item credit on residential car park bills.

- b) Last year we applied a special EV infrastructure reserve toward the cost of upgrading the car parks to sufficient capacity to meet the government's timeline for electric vehicles. In response to our consultation notices, the landlord objected to the proposals saying that it could not be justified by current demand. Aside from other issues raised by the landlord, the whole proposal was predicated on the landlord granting consent for the installation and placement of two new substations on its land. With no immediate prospect of that consent, I am refunding the EV infrastructure levy to car park owners, which again appears as a line-item credit on car park bills.

Whilst this will be welcome news to parking space owners, there can be no avoiding the need to upgrade the car park electrics to meet the capacity that will be required as we approach the government's 2030 deadline. EV car sales are growing exponentially (by 40% last year) and the cost of substations and infrastructure is increasing as are the lead times for delivery of such major plant, which will only get worse as more car parks struggle to meet demand.

As we still must prepare for these unavoidable EV demands, I have included £200,000 in the budget to beef up the car park reserve which had been depleted by all the energy-saving measures, replacement lighting and sensors we've already implemented and installed. Whilst unable to progress the EV project last year, I continued brainstorming with the HV consultants about the wider issue of Canary Riverside's central supply of electricity. Classed as a private commercial network, it disqualifies flat owners from the Ofgem capping and rebate benefits available to normal domestic consumers.

These discussions spawned the idea of having the entire electrical infrastructure adopted by an Independent Distribution Network Operator. IDNOs are companies licensed by Ofgem to own and operate electricity networks. With an IDNO in place, residents might finally be free to sign up with Octopus, Eon or whichever other domestic supplier they chose, just like any householder – plus be eligible for all the Ofgem benefits. An even greater benefit is being relieved of the burden of maintaining and ultimately replacing the infrastructure out of hefty reserve fund levies; a major saving for commercial as well as residential tenants.

I asked for a suitable IDNO to visit site and assess our electrical network. My fears that it might have been too old for adoption were happily misplaced, as they indicated acceptance in principle. However, as before, it's still the landlord's property and they would have to agree any adoption plan. I have put the plan to CREM and await their response.

Meanwhile the government has just announced a new Energy Bill Support Scheme (EBSS) to apply to commercial supplies like Canary Riverside for the year commencing 1st April 2023. Under this scheme tenants at Canary Riverside may **apply for a grant of £400** per household for the year. (See the flyer attached and our budget notes re: Electricity.)

Google: "*Apply for EBSS*" which will take you to the *Gov.UK* website and follow the online instructions. On the '*Describe where you live*' menu, choose the first option - Communal Heat Network - which is the closest match for this purpose. (Try to complete the application in one sitting, as your IP address may be blocked to deter multiple applications).

On major works, the externals are still subject to the final cladding remediation grant offer – see our latest update attached. On internals the consultation notice for your new hallway carpeting expires at the end of this month when I expect to issue the order. Because of rips and trip hazards we had to prioritise this over internal decoration, which will follow in due course whilst properly protecting the new carpet. The government's new Fire Safety (England) Regulations 2022 was another component of that internal planning and now requires much stricter monitoring of fire doors and front doors to flats, as well as the fitting of Premises Information Boxes (PIBs) in all lobbies to enable fire crews to quickly access wayfinding floor plans and critical safety data in emergencies.

The bill for your first half-yearly instalment is attached for your kind attention and early remittance. Please quote the T-reference number with all payments.

Yours sincerely,



Sol Unsdorfer, FIRPM
Section 24 Manager – Canary Riverside Estate

PS: I plan to hold another open Zoom meeting on April 26th. You may wish to diarise.

Column	A	B	C	D	E	F
Budget - year ending 31 March 2024	TOTAL - ALL SECTORS	TOTAL - ALL SECTORS	Estate	Residential	Car Park	Commerical
Canary Riverside	2022/2023	2023/2024	(ex vat)	(Inc vat)	(Ex vat)	(Ex vat)
Staff						
Staff Wages, NI & Pens. - Concierge	£ 308,450	£ 336,200	£ -	£ 336,200	£ -	£ -
Staff Wages, NI & Pens. - Estate	£ 201,300	£ 220,000	£ 220,000	£ -	£ -	£ -
HR Admin PA	£ 76,462	£ 74,635	£ 30,500	£ 44,135	£ -	£ -
Uniforms & Protective Clothing	£ 800	£ 1,300	£ 500	£ 800	£ -	£ -
Training	£ 2,400	£ 1,300	£ 500	£ 800	£ -	£ -
Recruitment Fees	£ 1,500	£ 1,500	£ 500	£ 1,000	£ -	£ -
Sundries	£ 3,000	£ 5,500	£ 2,000	£ 3,500	£ -	£ -
Staff equipment, water & welfare needs	£ 4,500	£ 11,000	£ 4,000	£ 7,000	£ -	£ -
Cleaning (Contracted)	£ 153,310	£ 168,500	£ 13,500	£ 155,000	£ -	£ -
Security (Contracted)	£ 381,350	£ 450,700	£ 450,700	£ -	£ -	£ -
Parcel, key & visitor ID logging	£ 5,800	£ 6,000	£ 500	£ 5,500	£ -	£ -
Utilities						
Electricity	£ 870,000	£ 667,000	£ 140,500	£ 330,000	£ 110,000	£ 86,500
Gas (less costs recharged)	£ 120,000	£ 95,000	£ -	£ 95,000	£ -	£ -
Metered water (less costs recharged)	£ 135,000	£ 155,000	£ -	£ 155,000	£ -	£ -
Telephones	£ 3,000	£ 4,000	£ 1,000	£ 3,000	£ -	£ -
Contracts Maintenance & Services						
Barrier Maintenance	£ 8,000	£ 8,800	£ -	£ -	£ 8,800	£ -
Door Entry Maintenance / CCTV	£ 15,000	£ 18,500	£ 4,000	£ 14,500	£ -	£ -
Drainage	£ 8,000	£ 6,700	£ 2,500	£ 3,000	£ 1,200	£ -
Fire Alarm & Equip. Maint. & Compliance	£ 13,000	£ 39,000	£ 21,000	£ 12,000	£ 6,000	£ -
General Repairs & Maintenance	£ 125,000	£ 139,500	£ 26,000	£ 110,000	£ 3,500	£ -
Water Softener	£ 5,500	£ 4,500	£ -	£ 4,500	£ -	£ -
Light Bulbs	£ 7,000	£ 7,000	£ 1,000	£ 3,500	£ 2,500	£ -
Car Park Surface Painting	£ 1,500	£ 1,500	£ -	£ -	£ 1,500	£ -
Vermin Control	£ 1,600	£ 3,000	£ 3,000	£ -	£ -	£ -
Mechanical & Electrical Maintenance	£ 200,000	£ 230,000	£ 105,000	£ 110,000	£ 15,000	£ -
Electrical Repairs	£ 15,000	£ 15,000	£ 3,000	£ 6,000	£ 6,000	£ -
Sign Writing & Notices	£ 1,600	£ 1,600	£ 350	£ 1,250	£ -	£ -
Lighting & Fittings	£ 7,000	£ 7,500	£ 2,000	£ 4,000	£ 1,500	£ -
Cradle Maintenance	£ 500	£ 500	£ -	£ 500	£ -	£ -
Lift Maintenance & Contract	£ 124,500	£ 125,800	£ 4,000	£ 108,000	£ 12,000	£ 1,800
Cleaning Materials	£ 4,000	£ 3,000	£ 1,000	£ 1,500	£ 500	£ -
Cleaning - Windows by Abseil	£ 52,000	£ 48,000	£ -	£ 48,000	£ -	£ -
Refuse Removal & Recycling	£ 102,750	£ 104,700	£ -	£ 46,500	£ -	£ 58,200
Garden Maint, Planting & Tree Surgery	£ 45,000	£ 45,000	£ -	£ 36,000	£ -	£ 9,000
Garden lights maintenance	£ 2,000	£ 2,100	£ -	£ 1,600	£ -	£ 500
Canary Wharf Irrigation Charge	£ 12,500	£ 12,500	£ -	£ 10,000	£ -	£ 2,500
Satellite /TV/Aerials	£ 1,800	£ 2,000	£ -	£ 2,000	£ -	£ -
Energy Controls Metering Ctrct	£ 30,000	£ 30,000	£ 30,000	£ -	£ -	£ -
Energy Controls Meter Upgrades	£ 36,000	£ 36,000	£ -	£ 36,000	£ -	£ -
Clever Energy, Billing & Procurement	£ 35,500	£ 40,000	£ 40,000	£ -	£ -	£ -
Estate Gator Maintenance, Tax & Ins.	£ 1,200	£ 1,800	£ 1,800	£ -	£ -	£ -
Bank charges	£ 500	£ 500	£ 500	£ -	£ -	£ -
Insurance						
Engineering Insurance (Lifts & Plant)	£ 19,332	£ 21,800	£ 1,800	£ 14,000	£ 3,000	£ -
Buildings, Terrorism, Public & Employer Liab.	£ 561,650	£ 674,725	£ 41,500	£ 610,825	£ 11,200	£ -
Prov for Uninsured Water Claims Excess	£ 90,000	£ 90,000	£ 10,000	£ 80,000	£ -	£ -
Professional						
Accountancy Fees	£ 15,000	£ 12,000	£ 12,000	£ -	£ -	£ -
Legal Fees	£ 230,000	£ 180,000	£ 10,000	£ 170,000	£ -	£ -
Professional fees	£ 22,000	£ 12,000	£ 2,000	£ 10,000	£ -	£ -
Health & Safety, New Regs Compliance	£ 13,000	£ 28,000	£ 6,000	£ 20,000	£ 2,000	£ -
Management fees	£ 263,650	£ 263,650	£ -	£ 195,000	£ 25,000	£ 43,650
Sub Total	£ 4,339,354	£ 4,414,310	£ 1,192,650	£ 2,795,610	£ 209,700	£ 202,150
Reserves	£ 500,000	£ 500,000	£ -	£ 300,000	£ 200,000	£ -
Cladding Remediation Contingency	£ -	£ -	£ -	£ -	£ -	£ -
Total Including Reserves	£ 4,839,354	£ 4,914,310	£ 1,192,650	£ 3,095,610	£ 409,700	£ 202,150

CANARY RIVERSIDE

Estimated Service Charge and Reserve Fund Budget - Residential

Column	A		B	C
Budget - year ending 31 March 2024 Canary Riverside	Residential Flats (Inc vat)	Estate (ex vat)	Residential Estate Inc VAT	TOTAL Residential
Staff				
Staff Wages, NI & Pens. - Concierge	£ 336,200	£ -	£ -	£ 336,200
Staff Wages, NI & Pens. - Estate	£ -	£ 220,000	£ 148,368	£ 148,368
HR Admin PA	£ 44,135	£ 30,500	£ 20,569	£ 64,704
Uniforms & Protective Clothing	£ 800	£ 500	£ 337	£ 1,137
Training	£ 800	£ 500	£ 337	£ 1,137
Recruitment Fees	£ 1,000	£ 500	£ 337	£ 1,337
Sundries	£ 3,500	£ 2,000	£ 1,349	£ 4,849
Staff equipment, water & welfare needs	£ 7,000	£ 4,000	£ 2,698	£ 9,698
Cleaning (Contracted)	£ 155,000	£ 13,500	£ 9,104	£ 164,104
Security (Contracted)	£ -	£ 450,700	£ 303,952	£ 303,952
Parcel, key & visitor ID logging	£ 5,500	£ 500	£ 337	£ 5,837
Utilities				
Electricity	£ 330,000	£ 140,500	£ 82,909	£ 412,909
Gas (less costs recharged)	£ 95,000	£ -	£ -	£ 95,000
Metered water (less costs recharged)	£ 155,000	£ -	£ -	£ 155,000
Telephones	£ 3,000	£ 1,000	£ 674	£ 3,674
Contracts Maintenance & Services				
Barrier Maintenance	£ -	£ -	£ -	£ -
Door Entry Maintenance / CCTV	£ 14,500	£ 4,000	£ 2,698	£ 17,198
Drainage	£ 3,000	£ 2,500	£ 1,686	£ 4,686
Fire Alarm & Equip. Maint. & Compliance	£ 12,000	£ 21,000	£ 14,162	£ 26,162
General Repairs & Maintenance	£ 110,000	£ 26,000	£ 17,534	£ 127,534
Water Softener	£ 4,500	£ -	£ -	£ 4,500
Light Bulbs	£ 3,500	£ 1,000	£ 674	£ 4,174
Car Park Surface Painting	£ -	£ -	£ -	£ -
Vermin Control	£ -	£ 3,000	£ 2,023	£ 2,023
Mechanical & Electrical Maintenance	£ 110,000	£ 105,000	£ 70,812	£ 180,812
Electrical Repairs	£ 6,000	£ 3,000	£ 2,023	£ 8,023
Sign Writing & Notices	£ 1,250	£ 350	£ 236	£ 1,486
Lighting & Fittings	£ 4,000	£ 2,000	£ 1,349	£ 5,349
Cradle Maintenance	£ 500	£ -	£ -	£ 500
Lift Maintenance & Contract	£ 108,000	£ 4,000	£ 2,698	£ 110,698
Cleaning Materials	£ 1,500	£ 1,000	£ 674	£ 2,174
Cleaning - Windows by Abseil	£ 48,000	£ -	£ -	£ 48,000
Refuse Removal & Recycling	£ 46,500	£ -	£ -	£ 46,500
Garden Maint, Planting & Tree Surgery	£ 36,000	£ -	£ -	£ 36,000
Garden lights maintenance	£ 1,600	£ -	£ -	£ 1,600
Canary Wharf Irrigation Charge	£ 10,000	£ -	£ -	£ 10,000
Satellite /TV/Aerials	£ 2,000	£ -	£ -	£ 2,000
Balance of Vat recoverable	£ -	£ -	£ -	£ -
Energy Controls Metering Ctrct	£ -	£ 30,000	£ 20,232	£ 20,232
Energy Controls Meter Upgrades	£ 36,000	£ -	£ -	£ 36,000
Clever Energy, Billing & Procurement	£ -	£ 40,000	£ 26,976	£ 26,976
Estate Gator Maintenance, Tax & Ins.	£ -	£ 1,800	£ 1,214	£ 1,214
Bank charges	£ -	£ 500	£ 337	£ 337
Insurance				
Engineering Insurance (Lifts & Plant)	£ 14,000	£ 1,800	£ 1,012	£ 15,012
Buildings, Terrorism, Public & Employer Liab.	£ 610,825	£ 41,500	£ 23,323	£ 634,148
Prov for Uninsured Water Claims Excess	£ 80,000	£ 10,000	£ 5,620	£ 85,620
Professional				
Accountancy Fees	£ -	£ 12,000	£ 8,093	£ 8,093
Legal Fees	£ 170,000	£ 10,000	£ 6,744	£ 176,744
Professional fees	£ 10,000	£ 2,000	£ 1,349	£ 11,349
Health & Safety, New Regs Compliance	£ 20,000	£ 6,000	£ 4,046	£ 24,046
Management fees	£ 195,000	£ -	£ -	£ 195,000
Sub Total	£ 2,795,610	£ 1,192,650	£ 786,488	£ 3,582,098
Reserves	£ 300,000	£ -	£ -	£ 300,000
Cladding Remediation Contingency	£ -	£ -	£ -	£ -
Total Including Reserves	£ 3,095,610	£ 1,192,650	£ 786,488	£ 3,882,098

Residential share of Estate expenditure = 56.2%

CANARY RIVERSIDE

Estimated Service Charge and Reserve Fund Budget - Car Park Residential

Column	D	G	H
Budget - year ending 31 March 2024 Canary Riverside	Car Park Resi TOTAL inc vat	Car Park Estate TOTAL inc vat	TOTAL CAR PARK RESIDENTIAL
Staff			
Staff Wages, NI & Pens. - Concierge	£ -	£ -	£ -
Staff Wages, NI & Pens. - Estate	£ -	£ 35,570	£ 35,570
HR Admin PA	£ -	£ 4,931	£ 4,931
Uniforms & Protective Clothing	£ -	£ 81	£ 81
Training	£ -	£ 81	£ 81
Recruitment Fees	£ -	£ 81	£ 81
Sundries	£ -	£ 323	£ 323
Staff equipment, water & welfare needs	£ -	£ 647	£ 647
Cleaning (Contracted)	£ -	£ 2,183	£ 2,183
Security (Contracted)	£ -	£ 72,869	£ 72,869
Parcel, key & visitor ID logging	£ -	£ 81	£ 81
Utilities			
Electricity	£ 83,749	£ 19,891	£ 103,640
Gas (less costs recharged)	£ -	£ -	£ -
Metered water (less costs recharged)	£ -	£ -	£ -
Telephones	£ -	£ 162	£ 162
Contracts Maintenance & Services			
Barrier Maintenance	£ 7,657	£ -	£ 7,657
Door Entry Maintenance / CCTV	£ -	£ 647	£ 647
Drainage	£ 870	£ 404	£ 1,274
Fire Alarm & Equip. Maint. & Compliance	£ 4,351	£ 3,395	£ 7,746
General Repairs & Maintenance	£ 3,045	£ 4,204	£ 7,249
Water Softener	£ -	£ -	£ -
Light Bulbs	£ 2,175	£ 162	£ 2,337
Car Park Surface Painting	£ 1,305	£ -	£ 1,305
Vermin Control	£ -	£ 485	£ 485
Mechanical & Electrical Maintenance	£ 13,052	£ 16,976	£ 30,028
Electrical Repairs	£ 5,221	£ 485	£ 5,706
Sign Writing & Notices	£ -	£ 57	£ 57
Lighting & Fittings	£ 1,305	£ 323	£ 1,629
Cradle Maintenance	£ -	£ -	£ -
Lift Maintenance & Contract	£ 8,701	£ 647	£ 9,348
Cleaning Materials	£ 363	£ 162	£ 524
Cleaning - Windows by Abseil	£ -	£ -	£ -
Refuse Removal & Recycling	£ -	£ -	£ -
Garden Maint, Planting & Tree Surgery	£ -	£ -	£ -
Garden lights maintenance	£ -	£ -	£ -
Canary Wharf Irrigation Charge	£ -	£ -	£ -
Satellite /TV/Aerials	£ -	£ -	£ -
Irrecoverable VAT	£ -	£ -	£ -
Energy Controls Metering Ctrct	£ -	£ 4,850	£ 4,850
Energy Controls Meter Upgrades	£ -	£ -	£ -
Clever Energy, Billing & Procurement	£ -	£ 6,467	£ 6,467
Estate Gator Maintenance, Tax & Ins.	£ -	£ 291	£ 291
Bank charges	£ -	£ 81	£ 81
Insurance			
Engineering Insurance (Lifts & Plant)	£ 3,000	£ 241	£ 3,241
Buildings, Terrorism, Public & Employer Liab.	£ 11,200	£ 5,563	£ 16,763
Prov for Uninsured Water Claims Excess	£ -	£ 1,341	£ 1,341
Professional			
Accountancy Fees	£ -	£ 1,940	£ 1,940
Legal Fees	£ -	£ 1,617	£ 1,617
Professional fees	£ -	£ 323	£ 323
Health & Safety, New Regs Compliance	£ 1,740	£ 970	£ 2,710
Management fees	£ 21,753	£ -	£ 21,753
Sub Total	£ 169,487	£ 188,574	£ 358,061
Reserves	£ 145,020	£ -	£ 145,020
Total Including Reserves	£ 314,507	£ 188,574	£ 503,081
Cost per space			£ 1,382.09

CANARY RIVERSIDE

Estimated Service Charge and Reserve Fund Budget - Car Park Total

Column	A	D	E	F	G
Budget - year ending 31 March 2024	Car Park Total (ex vat)	Car Park Resi TOTAL	Car Park Public (ex vat) 22.112%	Car Park Hotel (ex vat) 5.138%	Car Park Total (inc vat)
Utilities					
Electricity	£ 110,000	£ 83,749	£ 24,323	£ 5,916	£ 113,988
Contracts Maintenance & Services					
Barrier Maintenance	£ 8,800	£ 7,657	£ 1,946	£ 473	£ 10,076
Light Bulbs	£ 2,500	£ 2,175	£ 553	£ 134	£ 2,863
Car Park Surface Painting	£ 1,500	£ 1,305	£ 332	£ 81	£ 1,718
Mechanical & Electrical Maintenance	£ 15,000	£ 13,052	£ 3,317	£ 807	£ 17,175
Electrical Repairs	£ 6,000	£ 5,221	£ 1,327	£ 323	£ 6,870
Insurance					
Engineering Insurance (Lifts & Plant)	£ 3,000	£ 3,000	£ -	£ -	£ 3,000
Buildings, Terrorism, Public & Employer Liab.	£ 11,200	£ 11,200	£ -	£ -	£ 11,200
Prov for Uninsured Water Claims Excess	£ -	£ -	£ -	£ -	£ -
Professional					
Management fees	£ 25,000	£ 21,753	£ 5,528	£ 1,345	£ 28,626
Sub Total	£ 209,700	£ 169,487	£ 43,229	£ 10,514	£ 223,230
Reserves	£ 200,000	£ 145,020	£ 44,224	£ 10,756	£ 200,000
Total Including Reserves	£ 409,700	£ 314,507	£ 87,453	£ 21,270	£ 423,230
Estate Service Charge	£ 221,833	£ 188,574	£ 49,052	£ 11,930	£ 249,556
Estate Service Reserve	£ -	£ -	£ -	£ -	£ -
TOTAL	£ 631,533	£ 503,081	£ 136,505	£ 33,200	£ 672,786

CANARY RIVERSIDE

Estimated Service Charge and Reserve Fund Budget - Car Park Residential

Column	A	D	E	F	G	H
Budget - year ending 31 March 2024	Car Park Total (ex vat)	Car Park Resi TOTAL inc vat	Car Park Resi Estate(13.4%)	Car Park Resi Estate Vat	Car Park Estate TOTAL inc vat	TOTAL CAR PARK RESIDENTIAL
Staff						
Staff Wages, NI & Pens. - Estate	£ -	£ -	£ 29,671	£ 5,899	£ 35,570	£ 35,570
HR Admin PA	£ -	£ -	£ 4,113	£ 818	£ 4,931	£ 4,931
Uniforms & Protective Clothing	£ -	£ -	£ 67	£ 13	£ 81	£ 81
Training	£ -	£ -	£ 67	£ 13	£ 81	£ 81
Recruitment Fees	£ -	£ -	£ 67	£ 13	£ 81	£ 81
Sundries	£ -	£ -	£ 270	£ 54	£ 323	£ 323
Staff equipment, water & welfare needs	£ -	£ -	£ 539	£ 107	£ 647	£ 647
Cleaning (Contracted)	£ -	£ -	£ 1,821	£ 362	£ 2,183	£ 2,183
Security (Contracted)	£ -	£ -	£ 60,785	£ 12,084	£ 72,869	£ 72,869
Parcel, key & visitor ID logging	£ -	£ -	£ 67	£ 13	£ 81	£ 81
Utilities						
Electricity	£ 110,000	£ 83,749	£ 18,949	£ 942	£ 19,891	£ 103,640
Telephones	£ -	£ -	£ 135	£ 27	£ 162	£ 162
Contracts Maintenance & Services						
Barrier Maintenance	£ 8,800	£ 7,657	£ -	£ -	£ -	£ 7,657
Door Entry Maintenance / CCTV	£ -	£ -	£ 539	£ 107	£ 647	£ 647
Drainage	£ 1,200	£ 870	£ 337	£ 67	£ 404	£ 1,274
Fire Alarm & Equip. Maint. & Compliance	£ 6,000	£ 4,351	£ 2,832	£ 563	£ 3,395	£ 7,746
General Repairs & Maintenance	£ 3,500	£ 3,045	£ 3,507	£ 697	£ 4,204	£ 7,249
Light Bulbs	£ 2,500	£ 2,175	£ 135	£ 27	£ 162	£ 2,337
Car Park Surface Painting	£ 1,500	£ 1,305	£ -	£ -	£ -	£ 1,305
Vermin Control	£ -	£ -	£ 405	£ 80	£ 485	£ 485
Mechanical & Electrical Maintenance	£ 15,000	£ 13,052	£ 14,161	£ 2,815	£ 16,976	£ 30,028
Electrical Repairs	£ 6,000	£ 5,221	£ 405	£ 80	£ 485	£ 5,706
Sign Writing & Notices	£ -	£ -	£ 47	£ 9	£ 57	£ 57
Lighting & Fittings	£ 1,500	£ 1,305	£ 270	£ 54	£ 323	£ 1,629
Lift Maintenance & Contract	£ 12,000	£ 8,701	£ 539	£ 107	£ 647	£ 9,348
Cleaning Materials	£ 500	£ 363	£ 135	£ 27	£ 162	£ 524
Cleaning - Windows by Abseil	£ -	£ -	£ -	£ -	£ -	£ -
Garden lights maintenance	£ -	£ -	£ -	£ -	£ -	£ -
Canary Wharf Irrigation Charge	£ -	£ -	£ -	£ -	£ -	£ -
Energy Controls Metering Ctrct	£ -	£ -	£ 4,046	£ 804	£ 4,850	£ 4,850
Clever Energy, Billing & Procurement	£ -	£ -	£ 5,395	£ 1,072	£ 6,467	£ 6,467
Estate Gator Maintenance, Tax & Ins.	£ -	£ -	£ 243	£ 48	£ 291	£ 291
Bank charges	£ -	£ -	£ 67	£ 13	£ 81	£ 81
Insurance						
Engineering Insurance (Lifts & Plant)	£ 3,000	£ 3,000	£ 241	£ -	£ 241	£ 3,241
Buildings, Terrorism, Public & Employer Liab.	£ 11,200	£ 11,200	£ 5,563	£ -	£ 5,563	£ 16,763
Professional						
Accountancy Fees	£ -	£ -	£ 1,618	£ 322	£ 1,940	£ 1,940
Legal Fees	£ -	£ -	£ 1,349	£ 268	£ 1,617	£ 1,617
Professional fees	£ -	£ -	£ 270	£ 54	£ 323	£ 323
Health & Safety, New Regs Compliance	£ 2,000	£ 1,740	£ 809	£ 161	£ 970	£ 2,710
Management fees	£ 25,000	£ 21,753	£ -	£ -	£ -	£ 21,753
Sub Total	£ 209,700	£ 169,487	£ 160,851	£ 27,722	£ 188,574	£ 358,061
Reserves	£ 200,000	£ 145,020	£ -	£ -	£ -	£ 145,020
Total Including Reserves	£ 409,700	£ 314,507	£ 160,851	£ 27,722	£ 188,574	£ 503,081

Notes:

The Estate costs are apportioned 13.4% to the Residential Car park and 5.2% to the public car park
 Cost per Residential parking space = £ 1,382.09
 Figures are calculated to 2 decimal places and therefore rounding applies to the totals

CANARY RIVERSIDE ESTATE SERVICE CHARGE BUDGET 2023/24 GUIDANCE NOTES FOR RESIDENTIAL LESSEES

INTRODUCTION

The running costs of the Canary Riverside Estate are made up of four sector cost centers:

1. Residential blocks – the direct costs associated with Belgrave Court, Eaton House (including Circus), Berkeley Tower and Hanover House.
2. Commercial lessees – the direct shared costs associated with the commercial buildings, i.e., the hotel, club house (gym and restaurant), ‘commercial in residential’ (e.g., dry cleaner CREM offices, and letting agency) and ‘WF1’ being the café and eateries along the Westferry promenade.
3. Car park – the direct costs associated with levels P1 and P2, which is split between residential (72.51%) and commercial (27.49%).
4. Estate – the direct cost of common services provided across the whole estate. These costs (such as security, gardening, M&E maintenance) are then split across the other three sectors, in accordance with an apportionment schedule, to reflect the usage of shared parts of the estate. The apportionments are:
 - a. Residential: 56.2% (including Circus Apartments)
 - b. Residential car park: 13.4%
 - c. Commercial car park: 5.2%
 - d. Commercial-in-residential: 1.01% (such as: offices, dry cleaner, letting agency, café)
 - e. Hotel: 16.8%
 - f. Club: 5.4%
 - g. WF1: 1.99% (Westferry riverfront eateries)
5. Residential lessees (blocks and car park) have to pay costs inclusive of VAT, but commercial tenants’ service charges are billed net of VAT so that they can recover the tax. Where relevant, the schedules detail whether the figures shown are gross or net of VAT. The VAT rates are currently 0% for water, 5% for gas & electricity, and 20% on all other costs/services that attract VAT.
6. Reserves are earmarked for capital expenditure on major works for the repair of the building fabric, upgrading of the interior common parts and periodic replacement of plant and machinery. Surveyors and M&E consultants review the priorities going forward. A cladding remediation reserve was set up in April 2020 to fund the preliminary costs of invasive surveys and consultancy as well as any residual repairs which might not qualify for government funding.

THE BUDGET SCHEDULES

The attached schedules display a number of columns and rows. The columns relate to specific schedules the rows are broken down into the following 6 main cost centers:

STAFF

The full complement of staff consists of 8 concierges (2 per tower providing 12-hour coverage on alternate shifts), 6 estate staff (for grounds sweeping, refuse collection and minor repair works & painting in the car park) and an on-site facilities manager, all of whom are employed directly. From the

end of 2018 the wages of such directly employed property staff became subject to 20% VAT. The residential cleaners and security staff are outsourced to contractors who bill us monthly, as is the cost of a Circus Apartments concierge and common parts cleaner pro-rata with the others. The budget provisions for directly employed staff allow for wages, national insurance and mandatory pension contributions as well as holiday and sickness cover and a week's Christmas bonus. There is a 15% employment and HR admin cost included in the Sec 24 Order.

The contracted costs of security and cleaning staff are all inclusive but of course subject to VAT at 20% which only the commercial tenants can recover, based on their apportionment of costs.

The security team has been retained at three staff (per shift) based within the ground floor office located in Hanover House. Currently we do not have responsibility for the P2 car park security desk as that role/station has been taken over by the landlord and/or its subtenant in collection of commercial car park charges.

Other costs under this heading include provisions for staff welfare, uniforms, occasional training and recruitment fees for replacement staff and petty cash. In addition there is staff equipment such as PCs and peripherals at their concierge stations. There is also the parcel and key logging and tracking system and the clocking in/out system which keeps staff overtime claims in check.

UTILITIES

Electricity

The development was originally wired up to supply all parts of the estate from a single communal source located in the residential loading bay area. This means that the residential manager must contract the full cost of electricity supply annually before charging the commercial apportionments out to the hotel, health club and other commercial users. To appreciate the scale, the cost for the next 12 months is £3.4m plus VAT, roughly half of which powers the hotel, spa, and other commercial premises. Like the residential flats, these are separately metered, and readings are monitored and logged across the whole estate by bespoke software belonging to Energy Controls Limited to whom an annual service fee is paid (see below). The meter readings are then processed by Clever Energy which deals with the billing to flats as well as other metered utility supplies to the commercial parts.

The amount for electricity inserted into the service charge budget has traditionally equated to around 25% of the annual cost to cover unmetered residuals such as powering and lighting common parts of the residential blocks, shared parts of the wider estate and plantrooms - and as a cash flow buffer between our monthly payments to the utility company and metered recoveries by the billing company. As part of the recent upheaval in the energy sector, suppliers have demanded hefty security deposits to be paid annually in advance. In light of this, commercial tenants are now being billed monthly in advance. By adding and upgrading meters we have reduced the budget allowance this year from 25% to 20% of the overall cost.

IMPORTANT NOTE!

Communal electricity supply sites like Canary Riverside are classified as commercial, and are therefore not eligible for the Ofgem domestic cap and rebates. An Energy Bill Relief Scheme (EBRS) was introduced for such commercial users from 1st October 2022 and government credits were duly reflected in our bills. Whilst the new chancellor limited the EBRS to 6 months, the good news is that a new Energy Bill Support Scheme (EBSS) was announced at the end of February to apply for the year commencing 1st April 2023. Under this scheme tenants at Canary Riverside may apply for a grant of £400 per household for the year.

Google: "*Apply for EBSS*" which will take you to the *Gov.UK* website and follow the instructions to apply. On the '*Describe where you live*' menu, choose the first option being *Communal Heat Network*, which is the closest match for this purpose. (Try to complete the application in one sitting, as your IP address may be blocked to deter multiple applications).

Gas

This covers the costs of providing communal hot water to residential apartments and other residential gas consumption. Commercial users are billed for any sub-metered use.

Water

This covers the cost of water supplies to residential apartments and usage by the cleaning and concierge staff. Commercial users are billed for any sub-metered use.

Telephones

The concierge, security and estate staff use mainly landline phones.

CONTRACTS, MAINTENANCE AND SERVICES

Barriers/Door Entry Access/CCTV

This covers the costs of maintenance and repairs to the main gates, building doors and car park barriers, and the maintenance of CCTV systems across the estate.

A new fob system is due to be commissioned imminently, funded by reserves.

Drainage

This cost covers the service visits and callout charges for the estate drainage system at P2 level.

Fire alarm & Equipment maint. & compliance

This covers ADT alarm service and callouts, servicing of automatic smoke vents and other firefighting equipment and components in common parts and plantrooms. Unfortunately ADT's is a closed protocol system for which we are dependent on them for programming and spares which cannot be sourced in the wider generic marketplace. When the time comes for replacement, it will be open-source and should be substantially cheaper to service and maintain.

General repairs and maintenance

Repairs to the common areas such as are undertaken on an ad-hoc basis. Smaller jobs are increasingly being assigned to the Estate staff to save on callouts to external contractors which involves their profit costs and VAT.

Water softener

Hot water supplies are softened (using salt) to help protect boilers and piping as well as for the supply to the spa which is recharged accordingly. Cold water supplies to Residential properties are not softened as it is not suited to all tastes and health needs.

Light bulbs

Replacement of light bulbs in communal & car park areas. Great savings have been made by switching to LED fittings and the use of movement sensors in less trafficked areas such as service stairs.

Vermin control

This covers the pest control contract for service visits to renew bait stations and respond to callouts.

Mechanical and Electrical Maintenance

DMG-Delta who provide an onsite M&E engineer 3 days a week to deal with all the routine maintenance and checks, plus a supervisor who does spot checks and is on standby for any major issues. The service contract is treated as Estate costs whilst actual repair costs are allocated to the relevant beneficiaries' cost centres or reserve funds.

Electrical repairs

These are ad hoc repairs to fittings, sensors and wiring. Major works (e.g., actual replacement of main fuses and HV components) would normally be funded through reserves.

Signwriting & Notices

Occasional notices for directional or safety needs.

Lighting & Fittings

Replacement of faulty or blown fittings, most often in the service stairways and plant rooms.

Cradle maintenance

As the maximum load capacities are no longer considered fit for practical use within current safety standards, we locked the cradles out of service and now use abseilers more economically for window cleaning and other minor works at high level. The cost of replacing the cradles is prohibitive and meanwhile we save on maintenance and insurance of redundant cradles.

Lift maintenance contract

A 30-year estate-wide contract with OTIS was put in place by the landlords in 2000. Whilst the contract is fully comprehensive, callout costs for misuse or damage are chargeable.

Cleaning materials

Cost of mops, buckets and other materials needed by our staff.

Cleaning - Windows

Quarterly cleaning by abseilers of windows, balustrades, front entrances & ground floor glazing.

Refuse removal & Recycling

The compacting and removal of waste and recyclables is carried out by under contract. These costs are apportioned to residential towers and commercial units based on the turnover of bins from each source, the largest users being the Westferry eateries.

Garden Landscaping

This covers routine monthly service visits and a planting plan coordinated with the RACR. Costs are split between residential (70%) and the hotel & commercial parts (30%). It also includes a provision for pruning and tree surgery.

Garden lights maintenance

External wiring and fittings, faults and replacements including brick lights in the dwarf walls, apportioned as above.

Canary Wharf irrigation charge

The irrigation system water supply is provided by the Canary Wharf authority during the summer season and recharged according to metered usage. It is allocated to Estate costs.

Satellite/TV/Aerials

The cost of callouts and maintenance to the communal feeds to apartments. Hyperoptic broadband was installed in 2022.

Energy Controls Metering Contract

See above (Utilities/Electricity). This is the service fee for the meter reading software and fulfilment. There is a separate cost heading for repairs and upgrades to smart meters.

Estate Gator

This is the vehicle used to tow the refuse containers from the rubbish chute terminals and commercial premises to the refuse and recycling bay. The cost is for servicing, spares, fuel and road tax.

Bank charges

Maintaining the service charge and reserve bank accounts which have trustee status at Barclays.

INSURANCE

The development, including the Residential apartments, is currently insured under policies put in place by the landlord, CREM, which are renewed on 1st April each year. At the time of completing this budget CREM has not apprised us of the renewal premium and our budget figure is an estimate. Last year's

estimate was also lower than the actual premium charged.

The landlord's insurance covers the buildings, furnishings and contents of common parts, terrorism and public liability. There is a £25,000 claims excess for any water damage incident, which is why the budget also includes a provision for such uninsured losses. This annual provision is not cumulative; whatever is not used or committed is credited in the year-end accounts.

It is vitally important that flat owners separately maintain adequate household contents insurance to include 3rd party liability in the event of damage to other flats arising from negligence such as bath or appliance overflow or faulty plumbing. You should check and maintain all plumbing connections, WC overflows and flexible pipes under your sinks, and maintain bath/shower seals in good condition. If you rent out your flat, you need to take out cover for loss of rent. If your flat is unoccupied for any length of time, water and gas should be turned off at the mains and management should be informed.

A recent Tribunal judgement ruled that premiums charged by the Landlord between 2010 and 2016 included unreasonable fees of over £1.5m plus IPT. As some leaseholders have asked about refunds, we can only do so when the disallowed sums are repaid by the Landlord to the service charge fund.

PROFESSIONAL

Accountancy fees

The service charge expenditure is certified annually by external accountants, within a set of accounts drawn up in compliance with the lease and Landlord & Tenant legislation.

Legal fees

Whilst most legal costs of arrears recovery and breach enforcement are charged to the errant leaseholders, there are always residuals. The main legal expenses in the budget relate to matters relating to the administration of the Section 24 Order and associated Tribunal proceedings or other disputes with the landlord. A recent tribunal decision ruled that the commercial tenants should not routinely be charged for such costs, except in special circumstances where legal proceedings specifically concerned them. However, that ruling has been appealed with a hearing scheduled very soon.

Professional fees

Fees incurred when seeking specialist advice such as from surveyors or consultants, including any attendance fees of the Section 24 Manager as prescribed in the Management Order.

Health and safety

The cost of qualified health and safety and fire risk assessments, mandatory testing and other compliance. The new Fire Safety (England) Regulations 2022 have mandated many new monitoring and checking measures which have added to the budget allowance.

Management fees

This is the Section 24 Manager's fee as set by the Tribunal Order, being annually £500 per residential unit, £50 per car parking space and £43,650 for commercial shared services, all excluding VAT.

RESERVES

Reserve contributions are collected to ensure there is funding for major replacements and repairs. The intention is to maintain steady levels of contributions to reserves so that costs are more evenly distributed across service charge years.

There are separate reserve fund allocations for Residential, Car Park and Estate sectors as well as for shared services benefitting commercial parts.

The priority for the current Manager when commencing in October 2019 was to get all safety compliance up to date, including repairs to the high voltage plant and switchgear and fixed-wire testing throughout the estate. Beyond this is the need for external repair and decoration, to include the refurbishment of timber balcony handrails and renewal of several flat roof areas all of which will require

scaffolding. These works have been held up by the wait for government funding for the remediation of unsafe cladding which will also require scaffolding. The idea is that the cladding and external repair works will be carried out simultaneously with the residential reserve fund sharing the scaffolding costs.

The Car Park reserve has funded the major energy saving improvements carried out last year, in the replacement of light fittings with energy saving models and microwave sensors, as well as all other upgrading mandated by the site-wide EICR wiring report. Its next priority will be upgrading the electrical infrastructure to meet demand for EV charging as we near the government’s 2030 deadline for sales of fossil fuelled vehicles. The reserve is required to fund the installation of additional substations to meet the required power capacity, whilst individual charging pods will be up to each garage user to purchase when the need arises. Such pods will have to be compatible with the special prepayment app which will operate for the car park as a whole.

THE FINANCIAL INFORMATION

Estimated Service Charge and Reserve Fund Budget - All Sectors

Column A

This represents a summary total of the estimated service charge budget produced for the past service charge year ended 31st March.

Column B

This represents a summary total of the estimated service charge budget produced for the new service charge year commencing 1st April.

Column C

The estimated estate costs excluding VAT. Estate costs are displayed exclusive of VAT as the tax payable by the commercial tenants should be recoverable by them. At the bottom of this page the estate costs are broken down into their respective schedules. The ‘irrecoverable VAT’ is added back into the Residential schedule as VAT is not recoverable by Residents.

Column D

The estimated Residential cost including VAT. These are the estimated costs payable solely by the Residential Lessees.

Column E

The estimated car park costs excluding VAT. Again, at the bottom of this schedule the irrecoverable VAT applying to the Residential units is displayed.

Column F

The shared Commercial costs excluding VAT. These are the estimated costs payable by the Commercial units for costs exclusively relating to them (as distinct from shared estate costs) such as the Club lift, a gardening contribution allocated to the hotel and refuse/recycling allocations.

Estimated Service Charge and Reserve Fund Budget - Residential

Column A

The estimated Residential cost including VAT. These figures are the same as those displayed in Column D of the All Sectors cost table (above).

Column B

The proportion of the Residents' contribution towards the Estate Costs including VAT. The Residential Lessees contribute 56.2% towards the estate budget.

Column C

The total Residential estimated service charge for the year, including both the Residential block costs and the Estate costs, all inclusive of VAT. The total figure at the bottom of this column is the same total as the total figure displayed in Column D on the Estimated Service Charge and Reserve Fund Budget - All Sectors page.

Estimated Service Charge and Reserve Fund Budget - Car Park Total

Column A

The car park total costs excluding VAT. The total figure includes the car park proportion of the estate charge, but not the VAT element.

Column D

The Residential car park total, being Column A x 72.51% (representing the residential share of the car park spaces) plus 20% VAT.

Column E

The public car park element of the car park costs comprising the pay & display spaces, car wash area and other landlord-owned spaces and commercial entities.

Column F

The hotel element of the car park costs, being its own section of 27 spaces.

Column G

The total car park costs inclusive of the Residential VAT element. The total figure ties in with the total figure at the base of the car park all sector summary sheet (Column E).

Estimated Service Charge and Reserve Fund Budget - Car Park Residential

Column A

As the car park has to be calculated, initially, exclusive of VAT, these figures represent the car park budget total exclusive of VAT.

Column D

The Residential car park total, being Column A x 72.51% (representing the residential share of the car park spaces) plus 20% VAT.

Column E

The Residential car parking proportion of the estimated estate service charges, excluding VAT. The Residential element of the car park contributes 13.4% towards the estate service charge.

Column F

The estimated VAT element of the Residential car parking proportion of the estate service charge.

Column G

Column E + Column F, giving the total sum of the Residential car park proportion of the estate service charge inclusive of the VAT.

Column H

Column D + Column G. The total estimated costs inclusive of VAT payable by the Residents for the car parking area costs including all direct, estate and VAT. In the note underneath the cost per residential parking space is expressed.

Estimated Service Charge and Reserve Fund Budget - Commercial Shared Services

Column A

The total estimated service charge for all commercial shared services. This figure excludes VAT as the VAT should be recoverable. These are the same figures as shown in Column F of the 'All Sectors' table.

Column B

The total estimated service charge for the 'Commercial in Residential' units. These are the units that are integral to the main Residential buildings. For example, Café Brera, the dry cleaner, the offices and letting agency.

Column C

The total estimated service charge for the Virgin Active Club.

Column D

The total estimated service charge for the Westferry 1 Units. These include Royal China, Zizzi and Mala.

Column E

The total estimated service charge for the Hotel.

Column F

The total estimated service charge for the Car Wash.



Parkgate Aspen Limited March 2023

ParkgateAspen

STATEMENT RE EXTERNAL WALL REMEDIATION

Re: Berkeley Tower, Hanover House, Belgrave Court, Eaton House
Canary Riverside Estate, Westferry Circus, E14 8RH

We thank those of you who contacted us with feedback following our last cladding statement in which we outlined the rationale behind our decision to revise the scope of the remediation project to include the render panels.

We are conscious that leaseholders are keenly awaiting a final decision by the Building Safety Fund on our funding application. It remains our objective and priority to ensure that a fully-funded remediation grant is secured which does not necessitate any shortfall needing to be funded from service charges.

The appeals lodged with the BSF for the render panels on Berkeley Tower & Eaton House are still being considered and we have been informed that we have 'valid grounds on which to appeal' which is an encouraging sign.

In parallel with the appeal, our funding application is being considered by the GLA and DLUHC together with their external team of Quantity Surveyors and Cost Consultants. Whilst we had expected the BSF to have progressed the application further by this point, there was a slight delay owing to pricing adjustments needed to re-incorporate the render replacement works back into the overall scope of works as well as staff changes within our consultants' professional team.

Whilst it is difficult to predict the exact timeframe for when funding will be offered by the BSF and when the remediation works might ultimately commence, we are confident that we are moving in the right direction. We have successfully secured funding for similar projects on other buildings, and we remain fully committed to securing the necessary funds for this project as well.

We will continue to provide updates on the progress of the appeals and application and are committed to addressing any concerns or questions that you may have in the interim.

This bulletin is dated 20 March 2023



Parkgate Aspen Ltd.

Energy Bills Support Scheme

Over 900,000 more households across Great Britain and Northern Ireland will receive government support to help with their energy bills.

This applies to customers who **aren't already receiving an automatic discount**, such as: wholly or partially funded care home residents, homes on heat networks, residents of park homes, tenants in certain private and social rented homes and more.

These households are now eligible to apply for the discount, which will be paid as a single payment.

For further information on eligibility and to apply, search **“energy bill support alternative funding”** on gov.uk

You must provide your bank details through the secure portal to receive the discount.

Customers who do not have online access can call **0808 1753 287** in Great Britain or **08081753894** in Northern Ireland to process their application.

Remember, the government will never contact you directly to ask for bank details.

Beware of scams.

