

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

29 March 2022
SU.pc

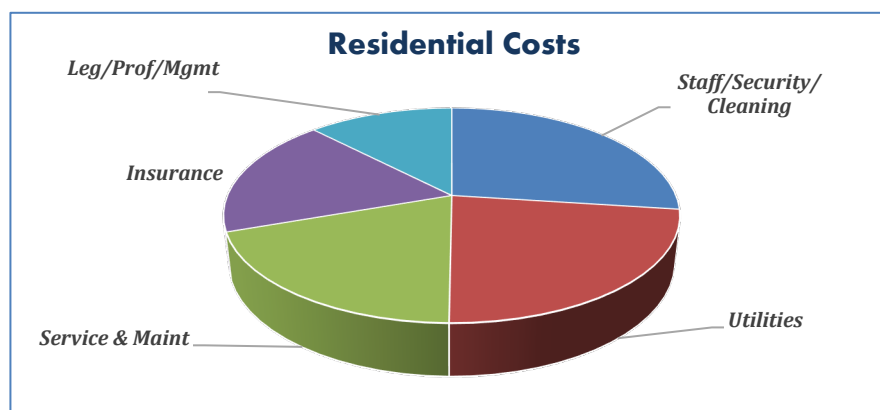
Dear Leaseholders

Canary Riverside Estate – Budget 2022/23

Following my January newsletter and the recent open meeting by Zoom, I am sending you herewith the new service charge budget for the year commencing 1st April 2022 with supporting guidance notes.

Last year the big open question was insurance which the landlord renews in April of each year, but for which the premium apportionments to the flats and residential car park only reach us several weeks later. I have therefore left the budget figure based on the current year's renewal which imposed a claims excess (or deductible) of £25,000 for each incident of water damage. For this reason, I have had to add a provision for uninsured losses. Until I receive the landlord's renewal data for April 2022 I will have to reserve the right to review next October's half-year billing in the event an adjustment is required. I will however do my level best to avoid this and will always try to use savings elsewhere to mitigate this.

The bigger issue is energy which was highlighted in my January newsletter where commercial rates had doubled and redoubled even before the war in Ukraine. There is no escaping an adjustment for these increased costs which make up almost 25% of the annual budget as shown on this chart.



As you will see from the Guidance Notes accompanying the annual budget, the electricity figure has always represented around 25% of the overall contract cost for the year. This allows for unmetered residuals such as powering and lighting common parts of the residential blocks and plantrooms, and as a cashflow buffer between the hefty direct debits taken by the utility company on a monthly basis, and metered recharges to residential and commercial tenants billed by Clever Energy. As my commitment to upgrade the whole estate to smart meters is now mostly achieved, certainly for the apartments, this will go some way to reducing the 25% margin going forward.

Staff, security and cleaning costs make up the largest slice of the pie chart and these have this year been affected by the increase in the national minimum wage effective from 1st April.

Whilst the above increases are outside of management control, I have continued to maintain tight control on other costs, such as M&E expenditure – down 25%, or by allocating purely commercial costs to commercial tenants rather than simply broad-brushed as shared Estate Costs.

Despite such mitigating efforts, the reality of the energy and insurance burden would still have translated to a 20% increase in the service charge bills to flats for the year ahead. In these exceptional circumstances, and with other inflationary pressures affecting every household, I have decided to suspend the main reserve levies for the year to even out the bottom line. If the energy crisis is resolved before our electricity contract renewal in October, any savings can be rebated back to reserves which would ordinarily have been charged.

However, one reserve provision I have not been able to postpone is the upgrading of power infrastructure in the car park to enable electric vehicle charging points to be installed in line with the government's EV targets. As notified in my January newsletter, our electrical engineers HVSS have carried out a feasibility study and provided guidance costs. As this is not the kind of project that can be carried out in phases, and substation costs will inevitably rise as we get closer to the government's target date, I have applied £500k to the Car Park Reserve and £150k to the Estate Reserve based on the consultant's budget estimates.

More details of the EV infrastructure works are provided in the Section 20 Notice of Intent which accompanies this letter. I have also attached a cladding update.

Taking into account all the budget adjustments, my accounts department estimates that the combined service charge bill for an average flat plus car parking space will be just shy of 8% over last year.

The bill for your first half-yearly instalment is attached for your kind attention and early remittance.

Yours sincerely,



Sol Unsorfer, FIRPM
Section 24 Manager – Canary Riverside Estate

CANARY RIVERSIDE

Estimated Service Charge and Reserve Fund Budget - All Sectors

Column	A	B	C	D	E	F
Budget - year ending 31 March 2023	TOTAL - ALL SECTORS 2021/2022	TOTAL - ALL SECTORS 2022/2023	Estate (ex vat)	Residential (Inc vat)	Car Park (Ex vat)	Commerical (Ex vat)
Staff						
Staff Wages, NI & Pens. - Concierge	£ 284,867	£ 308,450	£ -	£ 308,450	£ -	£ -
Staff Wages, NI & Pens. - Estate	£ 186,134	£ 201,300	£ 201,300	£ -	£ -	£ -
HR Admin PA	£ 70,650	£ 76,462	£ 30,195	£ 46,267	£ -	£ -
Uniforms	£ 1,000	£ 800	£ 200	£ 600	£ -	£ -
Training	£ 1,375	£ 2,400	£ 800	£ 1,600	£ -	£ -
Recruitment Fees	£ 3,000	£ 1,500	£ 500	£ 1,000	£ -	£ -
Sundries	£ 3,000	£ 3,000	£ 1,000	£ 2,000	£ -	£ -
Staff equipment, water & welfare needs	£ 4,000	£ 4,500	£ 1,500	£ 3,000	£ -	£ -
Cleaning (Contracted)	£ 140,250	£ 153,310	£ 12,700	£ 140,610	£ -	£ -
Security (Contracted)	£ 355,000	£ 381,350	£ 381,350	£ -	£ -	£ -
Parcel, key & visitor ID logging	£ 7,000	£ 5,800	£ 1,000	£ 4,800	£ -	£ -
Utilities						
Electricity	£ 553,000	£ 870,000	£ 185,000	£ 430,000	£ 139,000	£ 116,000
Gas (heating & Hot Water) & Re-Charge	£ 40,000	£ 120,000	£ -	£ 120,000	£ -	£ -
Metered water (& Re-Charge expense)	£ 120,000	£ 135,000	£ -	£ 135,000	£ -	£ -
Telephones	£ 5,800	£ 3,000	£ 800	£ 2,200	£ -	£ -
Contracts Maintenance & Services						
Barrier Maintenance	£ 8,000	£ 8,000	£ -	£ -	£ 8,000	£ -
Door Entry Maintenance / CCTV	£ 15,000	£ 15,000	£ 3,000	£ 12,000	£ -	£ -
Drainage	£ 5,000	£ 8,000	£ 8,000	£ -	£ -	£ -
Fire Alarm/Equipment Maintenance	£ 12,000	£ 13,000	£ 13,000	£ -	£ -	£ -
General Repairs & Maintenance	£ 110,000	£ 125,000	£ 25,000	£ 100,000	£ -	£ -
Water Softener	£ 7,000	£ 5,500	£ -	£ 2,500	£ -	£ 3,000
Light Bulbs	£ 8,200	£ 7,000	£ 1,000	£ 3,500	£ 2,500	£ -
Car Park Surface Painting	£ 2,000	£ 1,500	£ -	£ -	£ 1,500	£ -
Vermin Control	£ 3,000	£ 1,600	£ 3,000	£ -	£ -	£ -
Mechanical & Electrical Maintenance	£ 265,000	£ 200,000	£ 45,000	£ 140,000	£ 15,000	£ -
Electrical Repairs	£ 13,500	£ 15,000	£ 3,000	£ 6,000	£ 6,000	£ -
Sign Writing & Notices	£ 1,600	£ 1,600	£ 350	£ 1,250	£ -	£ -
Lighting & Fittings	£ 5,500	£ 7,000	£ 2,000	£ 4,000	£ 1,000	£ -
Cradle Maintenance	£ 2,000	£ 500	£ -	£ 500	£ -	£ -
Lift Maintenance Contract	£ 137,750	£ 124,500	£ 4,000	£ 105,000	£ -	£ 15,500
Cleaning Materials	£ 4,000	£ 4,000	£ 2,000	£ 2,000	£ -	£ -
Cleaning - Windows	£ 46,200	£ 52,000	£ -	£ 50,000	£ -	£ 2,000
Refuse Removal & Recycling	£ 118,800	£ 102,750	£ -	£ 48,000	£ -	£ 54,750
Garden Maint, Planting & Tree Surgery	£ 32,600	£ 45,000	£ 45,000	£ -	£ -	£ -
Garden lights maintenance	£ 4,500	£ 2,000	£ 2,000	£ -	£ -	£ -
Canary Wharf Irrigation Charge	£ 12,500	£ 12,500	£ 12,500	£ -	£ -	£ -
Satellite /TV/Aerials	£ 2,000	£ 1,800	£ -	£ 1,800	£ -	£ -
Energy Controls Metering Ctrct	£ 30,000	£ 30,000	£ 30,000	£ -	£ -	£ -
Energy Controls Meter Upgrades	£ 36,000	£ 36,000	£ -	£ 36,000	£ -	£ -
Clever Energy, Billing & Consulting	£ 35,500	£ 35,500	£ 35,500	£ -	£ -	£ -
Estate Gator Maintenance, Tax & Ins.	£ 2,000	£ 1,200	£ 1,200	£ -	£ -	£ -
Bank charges	£ 500	£ 500	£ 500	£ -	£ -	£ -
Insurance						
Engineering Insurance	£ 14,000	£ 19,332	£ -	£ 13,284	£ 3,024	£ -
Buildings, Terrorism & PL insurance	£ 514,000	£ 561,650	£ -	£ 525,060	£ 13,560	£ 9,470
Prov for Uninsured Water Claims	£ -	£ 90,000	£ 10,000	£ 80,000	£ -	£ -
Professional						
Accountancy Fees	£ 15,000	£ 15,000	£ 15,000	£ -	£ -	£ -
Legal Fees	£ 180,000	£ 230,000	£ 130,000	£ 100,000	£ -	£ -
Professional fees	£ 40,000	£ 22,000	£ 6,000	£ 16,000	£ -	£ -
Health & safety	£ 11,500	£ 13,000	£ 6,000	£ 7,000	£ -	£ -
Management fees	£ 263,650	£ 263,650	£ -	£ 195,000	£ 25,000	£ 43,650
Sub Total	£ 3,733,376	£ 4,339,354	£ 1,219,395	£ 2,644,421	£ 214,584	£ 244,370
Reserves	£ 690,000	£ 500,000	£ -	£ -	£ 500,000	£ -
Cladding Remediation Contingency	£ -	£ -	£ -	£ -	£ -	£ -
Total Including Reserves	£ 4,423,376	£ 4,839,354	£ 1,219,395	£ 2,644,421	£ 714,584	£ 244,370
Estate Contribution						
Irrecoverable Vat charged to Residential	£ 111,785	£ 162,649	£ 1,219,395	£ 685,300	£ 226,807	£ 307,288
Estate Contribution - Major Works	£ -	£ -	£ -	£ 120,340	£ 42,309	£ -
Sub Total				£ 805,640	£ 269,116	£ 307,288
TOTAL	£ 4,535,161	£ 5,002,003	£ -	£ 3,450,061	£ 983,700	£ 551,658

CANARY RIVERSIDE

Estimated Service Charge and Reserve Fund Budget - Residential

Column	A	B	C
Budget - year ending 31 March 2023 Canary Riverside	Residential Flats (Inc vat)	Residential Estate Inc VAT	TOTAL Residential
Staff			
Staff Wages, NI & Pens. - Concierge	£ 308,450	£ -	£ 308,450
Staff Wages, NI & Pens. - Estate	£ -	£ 135,757	£ 135,757
HR Admin PA	£ 46,267	£ 20,364	£ 66,631
Uniforms	£ 600	£ 135	£ 735
Training	£ 1,600	£ 540	£ 2,140
Recruitment Fees	£ 1,000	£ 337	£ 1,337
Sundries	£ 2,000	£ 674	£ 2,674
Staff equipment, water & welfare needs	£ 3,000	£ 1,012	£ 4,012
Cleaning (Contracted)	£ 140,610	£ 8,565	£ 149,175
Security (Contracted)	£ -	£ 257,182	£ 257,182
Parcel, key & visitor ID logging	£ 4,800	£ 674	£ 5,474
Utilities			
Electricity	£ 430,000	£ 109,169	£ 539,169
Gas (heating & Hot Water) & Re-Charge	£ 120,000	£ -	£ 120,000
Metered water (& Re-Charge expense)	£ 135,000	£ -	£ 135,000
Telephones	£ 2,200	£ 540	£ 2,740
Contracts Maintenance & Services			
Barrier Maintenance	£ -	£ -	£ -
Door Entry Maintenance / CCTV	£ 12,000	£ 2,023	£ 14,023
Drainage	£ -	£ 5,395	£ 5,395
Fire Alarm/Equipment Maintenance	£ -	£ 8,767	£ 8,767
General Repairs & Maintenance	£ 100,000	£ 16,860	£ 116,860
Water Softener	£ 2,500	£ -	£ 2,500
Light Bulbs	£ 3,500	£ 674	£ 4,174
Car Park Surface Painting	£ -	£ -	£ -
Vermin Control	£ -	£ 2,023	£ 2,023
Mechanical & Electrical Maintenance	£ 140,000	£ 30,348	£ 170,348
Electrical Repairs	£ 6,000	£ 2,023	£ 8,023
Sign Writing & Notices	£ 1,250	£ 236	£ 1,486
Lighting & Fittings	£ 4,000	£ 1,349	£ 5,349
Cradle Maintenance	£ 500	£ -	£ 500
Lift Maintenance Contract	£ 105,000	£ 2,698	£ 107,698
Cleaning Materials	£ 2,000	£ 1,349	£ 3,349
Cleaning - Windows	£ 50,000	£ -	£ 50,000
Refuse Removal & Recycling	£ 48,000	£ -	£ 48,000
Garden Maint, Planting & Tree Surgery	£ -	£ 30,348	£ 30,348
Garden lights maintenance	£ -	£ 1,349	£ 1,349
Canary Wharf Irrigation Charge	£ -	£ 8,430	£ 8,430
Satellite /TV/Aerials	£ 1,800	£ -	£ 1,800
Balance of Vat recoverable	£ -	£ -	£ -
Energy Controls Metering Ctrct	£ -	£ 20,232	£ 20,232
Energy Controls Meter Upgrades	£ 36,000	£ -	£ 36,000
Clever Energy, Billing & Consulting	£ -	£ 23,941	£ 23,941
Estate Gator Maintenance, Tax & Ins.	£ -	£ 809	£ 809
Bank charges	£ -	£ 337	£ 337
Insurance			
Engineering Insurance	£ 13,284	£ -	£ 13,284
Buildings, Terrorism & PL insurance	£ 525,060	£ -	£ 525,060
Prov for Uninsured Water Claims	£ 80,000	£ 5,620	£ 85,620
Professional			
Accountancy Fees	£ -	£ 10,116	£ 10,116
Legal Fees	£ 100,000	£ 87,672	£ 187,672
Professional fees	£ 16,000	£ 4,046	£ 20,046
Health & safety	£ 7,000	£ 4,046	£ 11,046
Management fees	£ 195,000	£ -	£ 195,000
Sub Total	£ 2,644,421	£ 805,640	£ 3,450,061
Reserves	£ -	£ -	£ -
Cladding Remediation Contingency	£ -	£ -	£ -
Total Including Reserves	£ 2,644,421	£ 805,640	£ 3,450,061

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 2023 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	£ -	£ 32,546	£ 32,546
HR Admin PA	£ -	£ 4,882	£ 4,882
Uniforms	£ -	£ 32	£ 32
Training	£ -	£ 129	£ 129
Recruitment Fees	£ -	£ 81	£ 81
Sundries	£ -	£ 162	£ 162
Staff equipment, water & welfare needs	£ -	£ 243	£ 243
Cleaning (Contracted)	£ -	£ 2,053	£ 2,053
Security (Contracted)	£ -	£ 61,657	£ 61,657
Parcel, key & visitor ID logging	£ -	£ 162	£ 162
Utilities			
Electricity	£ 105,828	£ 26,198	£ 132,027
Gas (heating & Hot Water) & Re-Charge	£ -	£ -	£ -
Metered water (& Re-Charge expense)	£ -	£ -	£ -
Telephones	£ -	£ 129	£ 129
Contracts Maintenance & Services			
Barrier Maintenance	£ 6,961	£ -	£ 6,961
Door Entry Maintenance / CCTV	£ -	£ 485	£ 485
Drainage	£ -	£ 1,293	£ 1,293
Fire Alarm/Equipment Maintenance	£ -	£ 2,102	£ 2,102
General Repairs & Maintenance	£ -	£ 4,042	£ 4,042
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	£ 7,276	£ 20,327
Electrical Repairs	£ 5,221	£ 485	£ 5,706
Sign Writing & Notices	£ -	£ 57	£ 57
Lighting & Fittings	£ 870	£ 323	£ 1,193
Cradle Maintenance	£ -	£ -	£ -
Lift Maintenance Contract	£ -	£ 647	£ 647
Cleaning Materials	£ -	£ 323	£ 323
Cleaning - Windows	£ -	£ -	£ -
Refuse Removal & Recycling	£ -	£ -	£ -
Garden Maint, Planting & Tree Surgery	£ -	£ 7,276	£ 7,276
Garden lights maintenance	£ -	£ 323	£ 323
Canary Wharf Irrigation Charge	£ -	£ 2,021	£ 2,021
Satellite /TV/Aerials	£ -	£ -	£ -
Irrecoverable VAT	£ -	£ -	£ -
Energy Controls Metering Ctrct	£ -	£ 4,850	£ 4,850
Energy Controls Meter Upgrades	£ -	£ -	£ -
Clever Energy, Billing & Consulting	£ -	£ 5,740	£ 5,740
Estate Gator Maintenance, Tax & Ins.	£ -	£ 194	£ 194
Bank charges	£ -	£ 81	£ 81
Insurance			
Engineering Insurance	£ 3,024	£ -	£ 3,024
Buildings, Terrorism & PL insurance	£ 13,560	£ -	£ 13,560
Prov for Uninsured Water Claims	£ -	£ 1,341	£ 1,341
Professional			
Accountancy Fees	£ -	£ 2,425	£ 2,425
Legal Fees	£ -	£ 21,018	£ 21,018
Professional fees	£ -	£ 970	£ 970
Health & safety	£ -	£ 970	£ 970
Management fees	£ 21,753	£ -	£ 21,753
Sub Total	£ 173,749	£ 193,171	£ 366,921
Reserves	£ 362,550	£ -	£ 362,550
Total Including Reserves	£ 536,299	£ 193,171	£ 729,471

Cost per space

£ 2,004.04

CANARY RIVERSIDE

Estimated Service Charge and Reserve Fund Budget - Car Park Total

Column	A	D	E	F	G
Budget - year ending 31 March 2023 Canary Riverside	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	£ 139,000	£ 105,828	£ 30,736	£ 7,475	£ 144,039
Contracts Maintenance & Services					
Barrier Maintenance	£ 8,000	£ 6,961	£ 1,769	£ 430	£ 9,160
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	£ 3,024	£ 3,024	£ -	£ -	£ 3,024
Buildings, Terrorism & PL insurance	£ 13,560	£ 13,560	£ -	£ -	£ 13,560
Prov for Uninsured Water Claims	£ -	£ -	£ -	£ -	£ -
Professional					
Management fees	£ 25,000	£ 21,753	£ 5,528	£ 1,345	£ 28,626
Sub Total	£ 214,584	£ 173,749	£ 43,782	£ 10,648	£ 228,180
Reserves	£ 500,000	£ 362,550	£ 110,560	£ 26,890	£ 500,000
Total Including Reserves	£ 714,584	£ 536,299	£ 154,342	£ 37,538	£ 728,180
Estate Service Charge	£ 226,808	£ 193,171	£ 50,152	£ 12,198	£ 255,521
Estate Service Reserve	£ -	£ -	£ -	£ -	£ -
TOTAL	£ 941,392	£ 729,471	£ 204,494	£ 49,736	£ 983,701

CANARY RIVERSIDE

Estimated Service Charge and Reserve Fund Budget - Car Park Residential

Column	A	D	E	F	G	H
Budget - year ending 31 March 2023 Canary Riverside	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	£ -	£ -	£ 27,149	£ 5,397	£ 32,546	£ 32,546
HR Admin PA	£ -	£ -	£ 4,072	£ 810	£ 4,882	£ 4,882
Uniforms	£ -	£ -	£ 27	£ 5	£ 32	£ 32
Training	£ -	£ -	£ 108	£ 21	£ 129	£ 129
Recruitment Fees	£ -	£ -	£ 67	£ 13	£ 81	£ 81
Sundries	£ -	£ -	£ 135	£ 27	£ 162	£ 162
Staff equipment, water & welfare needs	£ -	£ -	£ 202	£ 40	£ 243	£ 243
Cleaning (Contracted)	£ -	£ -	£ 1,713	£ 341	£ 2,053	£ 2,053
Security (Contracted)	£ -	£ -	£ 51,432	£ 10,225	£ 61,657	£ 61,657
Parcel, key & visitor ID logging	£ -	£ -	£ 135	£ 27	£ 162	£ 162
Utilities						
Electricity	£ 139,000	£ 105,828	£ 24,951	£ 1,248	£ 26,198	£ 132,027
Telephones	£ -	£ -	£ 108	£ 21	£ 129	£ 129
Contracts Maintenance & Services						
Barrier Maintenance	£ 8,000	£ 6,961	£ -	£ -	£ -	£ 6,961
Door Entry Maintenance / CCTV	£ -	£ -	£ 405	£ 80	£ 485	£ 485
Drainage	£ -	£ -	£ 1,079	£ 214	£ 1,293	£ 1,293
Fire Alarm/Equipment Maintenance	£ -	£ -	£ 1,753	£ 349	£ 2,102	£ 2,102
General Repairs & Maintenance	£ -	£ -	£ 3,372	£ 670	£ 4,042	£ 4,042
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	£ 6,069	£ 1,207	£ 7,276	£ 20,327
Electrical Repairs	£ 6,000	£ 5,221	£ 405	£ 80	£ 485	£ 5,706
Sign Writing & Notices	£ -	£ -	£ 47	£ 9	£ 57	£ 57
Lighting & Fittings	£ 1,000	£ 870	£ 270	£ 54	£ 323	£ 1,193
Lift Maintenance Contract	£ -	£ -	£ 539	£ 107	£ 647	£ 647
Cleaning Materials	£ -	£ -	£ 270	£ 54	£ 323	£ 323
Cleaning - Windows	£ -	£ -	£ -	£ -	£ -	£ -
Garden lights maintenance	£ -	£ -	£ 270	£ 54	£ 323	£ 323
Canary Wharf Irrigation Charge	£ -	£ -	£ 1,686	£ 335	£ 2,021	£ 2,021
Energy Controls Metering Ctrct	£ -	£ -	£ 4,046	£ 804	£ 4,850	£ 4,850
Clever Energy, Billing & Consulting	£ -	£ -	£ 4,788	£ 952	£ 5,740	£ 5,740
Estate Gator Maintenance, Tax & Ins.	£ -	£ -	£ 162	£ 32	£ 194	£ 194
Bank charges	£ -	£ -	£ 67	£ 13	£ 81	£ 81
Insurance						
Engineering Insurance	£ 3,024	£ 3,024	£ -	£ -	£ -	£ 3,024
Buildings, Terrorism & PL insurance	£ 13,560	£ 13,560	£ -	£ -	£ -	£ 13,560
Professional						
Accountancy Fees	£ -	£ -	£ 2,023	£ 402	£ 2,425	£ 2,425
Legal Fees	£ -	£ -	£ 17,533	£ 3,485	£ 21,018	£ 21,018
Professional fees	£ -	£ -	£ 809	£ 161	£ 970	£ 970
Health & safety	£ -	£ -	£ 809	£ 161	£ 970	£ 970
Management fees	£ 25,000	£ 21,753	£ -	£ -	£ -	£ 21,753
Sub Total	£ 214,584	£ 173,749	£ 164,458	£ 28,713	£ 193,171	£ 366,921
Reserves	£ 500,000	£ 362,550	£ -	£ -	£ -	£ 362,550
Total Including Reserves	£ 714,584	£ 536,299	£ 164,458	£ 28,713	£ 193,171	£ 729,471

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 = £ 2,004.04

CANARY RIVERSIDE ESTATE

SERVICE CHARGE BUDGET 2022/23

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% (e.g., 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. 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), 5 estate staff (for grounds sweeping and refuse collection) 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 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. Also, the parcel and key logging and tracking system which we have introduced, and the clocking in/out system which keeps 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, in October each year, before charging the commercial apportionments out to the hotel, health club and other commercial users. To appreciate the scale, the current and projected cost for the next 12 months is just under £3.5m, more than 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 supplies to the commercial parts.

The amount for electricity shown in the service charge budget equates to around 25% of the true 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.

The Section 24 Manager is hopeful of soon putting the hotel onto its own independently contracted supply as a first and major step in ending the residential's cashflow subsidy to commercial parts.

Gas

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

Telephones

The concierge, security and estate staff use mainly land-line 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.

The obsolete entry card system is due to be replaced this year, funded by reserves.

Drainage

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

Fire alarm/Equipment maintenance

This covers ADT alarm service and callouts, servicing of automatic smoke vents and other firefighting equipment and components in common parts and plantrooms.

General repairs and maintenance

Repairs to the common areas such as are undertaken on an ad-hoc basis.

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 M&E engineer 3 days a week to deal with all the routine maintenance and checks, plus a supervisor who makes spot checks and is on standby for any major issues. Coupled with your site manager's own M&E experience, this continues to bring M&E costs down from the high levels inherited from HML.

Electrical repairs

These are ad hoc repairs to fittings, sensors and wiring. Major works (e.g., actual replacement of main fuses and HV components) is expected to 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 250KG maximum load capacities are no longer considered fit for purpose to current safety standards, we have locked the cradles out of service and are now using 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 comprehensive ('premium') contract with OTIS was put in place in 2000. Whilst the contract is fully comprehensive, call out 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 windows

Refuse removal & Recycling

The compacting and removal of waste and recyclables is carried out by Cawleys under contract. The new Section 24 Manager has sought to apply these costs more fairly than in past years and 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%).

Garden lights maintenance

External wiring and fittings, faults and replacements including to brick lights in the dwarf walls.

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 recently.

Energy Controls Metering Contract

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

Estate Gator

This is the vehicle used to tow the Eurobins and other 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 bank accounts which have trustee status.

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 appraised us of the renewal premium. We have therefore applied the 2021/22 figure with the option to adjust the second half-yearly billing if it becomes absolutely necessary.

The landlord's insurance covers the buildings, furnishings and contents of common parts, terrorism and public liability. It is vitally important that apartment owners separately maintain adequate household contents and liability insurance as these risks are not covered by the landlord's block policy. There is currently a £25,000 excess (deductible) applying to water damage claims. This means that each flat owner will be responsible for the first £25,000 of any damage caused by water leaks from their own flat as a result of negligence (e.g. bath or appliance overflow) or faulty plumbing. It is therefore vital that you check and maintain all plumbing and bath/shower seals in good condition, and notify your household insurers of the possible liability risk.

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

After significant reductions on prior levels under our predecessors, we have had to tweak this up for the current year to provide for the lengthy Tribunal hearings on the renewal of the Section 24 Order and various amendments requested to extend its powers on this Estate vis-à-vis the landlord.

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 Order.

Health and safety

The cost of qualified health and safety and fire risk assessments, mandatory testing and other compliance.

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, to reflect the benefit derived from such expenditure.

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

The immediate priorities for the residential towers and plantrooms are as follows, showing approximate costs:

Roofs, Terraces, Balconies	1,700,000
External repair, railings & external plumbing	280,000
Windows & External doors	135,000
Scaffolding (dependent on cladding project)	300,000
Communal corridors & lobbies	220,000
BMS & control panel replacements	320,000
Replacement Low Voltage Busbars	300,000
Chiller Handling & Pipework	115,000

Much of the external repair costs will be dependent on scaffolding costs which might be shared with the cladding remediation project on a fair apportionment of hire costs. A major capex priority for the car park is the upgrading of electrical infrastructure and new substations necessary to meet the demand for electric car charging.

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 is recoverable by them. At the bottom of this page the estate costs are

broken down to 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.

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.

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 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 B

The Residential proportion of the car park costs. The Residential Lessees contribute 72.51% of the total car park costs. (i.e., Column A x 72.51%)

Column C

The estimated VAT element of the Residential proportion of the car park costs.

Column D

Column B + Column C, giving the Residential proportion of the car park costs including VAT.

Column E

The public car park element of the car park costs comprising the pay & display spaces, car wash area and other 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 B

The Residential proportion of the car park costs. The Residential Lessees contribute 72.51% of the total car park costs.

Column C

The estimated VAT element of the Residential proportion of the car park costs.

Column D

Column B + Column C, giving the Residential proportion of the car park costs including 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 notes the cost per residential parking space is detailed.

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 is recoverable. This is the same figures as those shown in Column F of the total sector 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 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.



Parkgate Aspen Limited

March 2022

ParkgateAspen

STATEMENT RE EXTERNAL WALL REMEDIATION

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

Following the appeal decisions by the Building Safety Fund (BSF) on Hanover's eligibility (by height) and the different treatment of the same materials between different buildings, we have made significant progress with our team of surveyors, fire engineers and contractors to enable us to make our Stage 2 application. This part of the application deals with the financial aspects of the remediation.

The professional team expect to be in a position to submit for Stage 2 in the next few weeks and they anticipate a period of 8-12 weeks for the BSF to make us a funding offer.

We are pleased that the BSF have determined that the vast majority of cladding in need of remediation is in fact eligible for funding. We shall provide further updates as our Stage 2 application progresses.

If you purchased your flat since February 2021 and you are an owner occupier, we will need you to make a State Aid declaration to be eligible for your share of cladding funding. If you have not heard from us in this respect, please email jgs@parkaspen.co.uk

Meanwhile if you have any questions, please contact the cladding team via: steven@parkaspen.co.uk

This bulletin is dated 28 March 2022



Parkgate Aspen Ltd.

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

25 March 2022
SU.pc

Dear Leaseholder -

Re: Canary Riverside Car Park – Installation of Electric Charging Infrastructure

Preliminary Notice of works under Section 20 of Landlord and Tenant Act 1985 (As amended)

We hereby give you preliminary notice of the landlord's intention to carry out the works briefly described in Schedule I overleaf.

These works are required for the reasons briefly outlined in Schedule II overleaf

You are hereby invited to submit any written observations in relation to these proposals, addressed to the manager specified in Schedule III overleaf to arrive no later than the date shown in Schedule IV. Subject to any valid observations received, it is our intention to seek estimates for these works.

You are invited to nominate, by the closing date referred to above, a preferred contractor suited to such works from whom you would like us to seek an estimate. A further notice will be served prior to the issue of any order for the works to proceed. This will set out the estimates received any other relevant information for which a further month will be provided for you to submit any further written comments or observations.

In order that your responses can be properly considered, we ask you to please be specific in any objections or recommendations. If you do not agree with the works being done, please state why and by what alternative means you consider our client may be able to meet the needs of electric vehicle users consistent with the lease, any statutory requirements and general good practice. If objections are of a technical nature, you should provide a copy of any qualified or professional opinion supporting your submission.

Yours faithfully



Parkgate Aspen

SCHEDULE I
Works proposed

Supply and installation of one new UKPN substation and two new 0.5MW substations to include all civils and HV/LV cabling works for the proposed EV charging network. These substations would be connected into Canary Riverside Estate's existing and complex High Voltage cable system. The substations would be located within the lower garden adjoining the tennis court.
Diversion and connection of the hotel supply cabling into the new UKPN substation.
Procurement of an additional 1MW of power from UKPN.

SCHEDULE II
Reasons Required

To meet the needs of electric vehicles being purchased by residents and who will wish to install pod chargers (at their own separate cost) in their respective car parking bays. The existing electrical infrastructure is unable to meet this demand, and government targets for EV facilities without additional substations. The completed works will provide a plug point for each vehicle owner to connect their own approved charger which will have to be compatible with the uniform billing platform by which they shall prepay for metered usage by means of a smartphone app.

SCHEDULE III
Address for observations & nominations to be sent

Joanna Sigalov, Compliance Director
Parkgate Aspen Limited
Wilberforce House, Station Road
London NW4 4QE

SCHEDULE IV
Closing Date

2nd May 2022

Guidance Notes

In order that your comments can be properly considered, we ask you to please be specific in any objections or recommendations. If you do not agree with the works being done, state why and by what alternative means you consider our client may be able to comply with the repairing obligations contained in the lease and/or statutory obligations such as Health & Safety legislation. If objections are of a technical nature, please provide a copy of any qualified or professional opinion supporting your submission.

The surveyor reserves the right to decline the appointment of any nominated contractor who is not of sufficient financial standing and/or not considered able to carry out the works in a professional and competent manner and in compliance with all relevant health and safety legislation and/or is not able to provide the required insurance cover and valid tax exemption certificate where appropriate.

If you have any questions about this notice, please contact the person specified in Schedule III above. If you are not the lessee, this notice should not be construed to imply/accept that you are.

LEGAL NOTES

1. Section 20 of the Landlord and Tenant Act 1985 (as amended) (the 1985 Act') provides that a landlord (as defined by Section 30 of the 1985 Act) must consult leaseholders who are required under the terms of their leases to contribute (by payment of service charges) to costs incurred under qualifying works, where the contribution of any one leaseholder will exceed £250. 'Qualifying works' are defined by Section 20ZA of the 1985 Act.
2. Where a notice specifies a place and hours for inspection:
 - a. the place and hours so specified must be reasonable; and
 - b. a description of the proposed works must be available for inspection, free of charge, at that place and during those hours.

If facilities to enable copies to be taken are not made available at the times at which the description may be inspected, the landlord shall provide to any leaseholder, on request and free of charge, a copy of the description.

3. The landlord has a duty to have regard to written observations made within the consultation period by any leaseholder or recognised tenants' association. 'Recognised tenants' association' is defined by Section 29 of the 1985 Act.

Where a single nomination is made by a recognised tenants' association (whether or not a nomination is made by any leaseholder, the landlord shall try to obtain an estimate from the nominated person. Where a single nomination is made by only one leaseholder (whether or not a nomination is made by a recognised tenants' association), the landlord shall try to obtain an estimate from the nominated person.

4. Where a single nomination is made by more than one leaseholder (whether or not a nomination is made by a recognised tenants' association), the landlord shall try to obtain an estimate:
 - a. from the person who received the most nominations; or
 - b. if there is no such person, but two (or more) persons received the same number of nominations, being a number in excess of the nominations received by any other person, from one of those two (or more) persons; or
 - c. in any other case, from any nominated person.
5. Where more than one nomination is made by any leaseholder and more than one nomination is made by a recognised tenants' association, the landlord shall try to obtain an estimate
 - a. from at least one person nominated by a leaseholder; and
 - b. from at least one person nominated by the association, other than a person from whom an estimate is sought as mentioned in paragraph (a).