

Chelsea Bridge Wharf RTM Company

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# Right to Manage Proposal

December 2023



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# Residents Deserve More

Over the past years the development is looking increasingly run down despite millions being collected in service charge each year.

We deserve better. It's time for Right To Manage.



# What is Right to Manage?

- Right to Manage (RTM) is a legal provision in the UK that allows leaseholders to take control of appointing the managing agent.
- For Chelsea Bridge Wharf, exercising Right to Manage could provide both short- and long-term benefits, such as better communication with the managing agent, greater control over spending and service charges, improved services and the ability to make decisions based on leaseholder needs.
- The Right To Manage Company would **appoint the managing agent** to run CBW so does not mean that leaseholders would run the development. The existing freeholders would continue to own the buildings and estate.



# Key Opportunities

## Maintenance:

- Improved maintenance and estate appearance.
- Addressing various maintenance issues, including non-functional fountains, ceiling tiles, light fittings, and PIR sensors.
- Properly planned and financed projects.

## Finance:

- Long-term capital expenditure, detailed reserves planning.
- Controlled service charge

## Communication:

- Better communication with the managing agent and leaseholders.
- The existing freeholders would have no day-to-day involvement, ensuring decisions are driven by residents' interests.



# Key Opportunities

## Contracts:

- Control over insurance costs, utilities and external contracts.
- Savings on energy costs through the installation of PIR sensors.
- Potential savings on insurance and premiums.
- Cost-effective bulk waste removal.

## Staffing:

- Potential 20% savings on staffing costs from VAT, and potential for less reliance on agency staff.
- Staffing levels and roles, including reducing the use of agency staff.



# Urang

A tender was undertaken of several management companies that had the ability to secure Right to Manage and offer block management services.

Hours of research had gone into different scenarios, as well as meetings and site visits with prospective management companies. CBWRA then held a meeting with leaseholders and Urang.

The decision was taken to work with Urang, a company with a 98% success rate in securing RTM for leaseholders.

Urang is a mid-sized company that is on the tender lists of both Berkeley Homes and Notting Hill Genesis.

Currently managing over 618 blocks and 9,400 units

CBWRA then met with leaseholders of Urang buildings in order to see beyond the brochure.

Urang will maintain an on-site staffing structure, with the support of an off-site Head office team to support. HQ team will dedicate more resource than R&R currently provide, with HQ staff visiting up to 3 days a week.



# Timeline

Timeline	Action	Status
30 <sup>th</sup> May	First opportunity to meet with Urang: Teams call at 7pm	✓
5 <sup>th</sup> June	Contract of intention for RTM signed to proceed with Urang	✓
14 <sup>th</sup> Sept	Mem & Arts updated to allow new members to sign up	✓
25 <sup>th</sup> Sept - Onwards	Urang will contact each leaseholder and manage the sign up to RTM. (50% of all leaseholders are needed to proceed)	<b>In progress</b>
October	Urang to meet with leaseholders	
November	Urang engage with landlords through to first tier tribunal to achieve RTM (this is our ideal timeline. From the moment RTM notice is served the timing will largely be set by the freeholders' response)	
October - February	Urang liaise with CBWRA & Landlords to collectively negotiate the Management operating terms	
2024 (tba)	Urang take over operations and management from R&R (onsite staff remain)	





# Chelsea Bridge Wharf RTM Factsheet

## What is RTM?

The right was introduced not just as a means of taking control from bad Freeholders but also to empower Leaseholders, who generally hold the majority of value in the property, to take responsibility for the management of their development.

## What does RTM mean for CBW?

Exercising RTM could provide both short- and long-term benefits, such as:

- taking control of annual spending and service charges
- providing input to the planning and funding of projects through the reserve fund
- better communication with the managing agent and leaseholders
- improved services and the ability to make decisions based on leaseholder needs.

The RTM Company would appoint the managing agent to run CBW so does not mean that leaseholders would run the development. The existing freeholders would continue to own the buildings and estate.



# Chelsea Bridge Wharf RTM Factsheet

## Implementing an RTM: Key Opportunities

<b>Finance</b>	<ul style="list-style-type: none"> <li>• Long-term capital expenditure, detailed reserves planning.</li> <li>• Controlled service charges.</li> <li>• Limit / Removal of Freeholder &amp; Managing agent commissions on insurance, staffing, and electrics.</li> </ul>
<b>Contracts</b>	<ul style="list-style-type: none"> <li>• Control over insurance costs, utilities and external contracts.</li> <li>• Savings on energy costs through the installation of PIR sensors.</li> <li>• Potential savings on insurance and premiums.</li> <li>• Cost-effective bulk waste removal.</li> </ul>
<b>Staffing</b>	<ul style="list-style-type: none"> <li>• Potential 20% saving on VAT, and potential for less reliance on agency staff.</li> <li>• Staffing levels and roles, including reducing the use of agency staff.</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>• Improved maintenance and estate appearance.</li> <li>• Addressing various maintenance issues, including non-functional fountains, ceiling tiles, light fittings, and PIR sensors.</li> <li>• Properly planned and financed projects.</li> </ul>
<b>Communication</b>	<ul style="list-style-type: none"> <li>• Better communication with the managing agent and leaseholders.</li> <li>• The existing freeholders would have no day-to-day involvement, ensuring decisions are driven by leaseholders' interests.</li> </ul>



# Chelsea Bridge Wharf RTM Factsheet

Who will be Appointed as the Managing Agent at the end of the Process?

Urang has been appointed to take us through Right to Manage, with a view to them taking on the management of the development after RTM is complete.

Hours of research had gone into different scenarios, as well as meetings and site visits with prospective management companies. CBWRA then held a meeting with leaseholders and Urang.

Urang have a 98% success rate in securing RTM for leaseholders. Urang is a mid-sized company that is on the tender lists of both Berkeley Homes and Notting Hill Genesis. Currently managing over 618 blocks and 9,400 units.

We need to make it clear to the Leaseholders that you will not be stuck with them; if they do not do a good job, we can find someone else who will. This is why they need to work for CBW, as they want to be kept as your appointed managing agent.



# Chelsea Bridge Wharf RTM Factsheet

What would be the costs for Implementing an RTM?

There is no upfront cost to leaseholders.

We would only be liable for the admin expenses and Freeholder(s) reasonable legal costs at the end of the RTM process which will be deducted from the service charge - circa £20k (which equates to less than £20 per unit).

- The potential £20k would cover the following: Freeholders' reasonable costs in assessing / challenging the claim, Land Registry fees, Tribunal application fees, if needed. (For context we spent £33k in 2022 on bulk refuse collection alone).
- If there is a technical dispute, it would be best to get a barrister to represent us at the tribunal which will be at an additional cost.
- We believe there are savings that can be made, and leaseholders won't have an additional bill.

