

Dear Leaseholder,

As you know, the deadline for the RTM consultation passed on June 2. Thank you to everyone who wrote to us. A range of views were shared, some supportive, some challenging, with others simply asking for further clarification. Putting to one side the people who wrote to unequivocally support our recommendation of Urang, we wanted to address the recurring themes from those with questions or concerns. These are listed below.

But first, we wanted to clarify how we reached our recommendation of Urang. We don't believe there is a 'magic bullet' to getting good management at CBW. There will be positives and negatives with any managing agent so our focus was on finding the company that seemed most engaged and willing to be flexible in tackling the challenges they will inherit - as well as the agent best placed to successfully achieve RTM. All the agents on the list had positives and strengths in different areas. However, as these may have got lost in the presentation, we wanted to list the key influencing factors as to why we feel Urang is a good option for RTM:

- Urang was **recommended** to us by someone high up in [Leasehold Knowledge Partnership](#). LKP advise and advocate for leaseholders and leasehold reform. When making the recommendation, they described Paul Cleaver, Urang founder and CEO, as *"a serious operator, done more high-end RTMs than anyone else I know"*
- Urang is on Berkeley Homes' **approved managing agents** list. This is important in terms of getting buy-in from BH and may prove critical as the process moves forward
- We have a **direct line of communication** to the owner/founder. With most of the other companies short-listed, the RTM board would be dealing with managers rather than the CEO. This would add another barrier to getting approval on the decisions we want for CBW and would mean we build a working relationship with someone who may then move on to another job
- **Experience:** Urang have worked with leaseholders on over 100 RTMs, even through to Upper Tribunal level
- **Flexibility** in taking on costs of RTM initially with a willingness to adapt in line with how far the process goes (i.e. if the claim goes to the Upper Tribunal due to freeholder opposition)

#### RECURRING THEMES FROM THOSE WITH QUESTIONS OR CONCERNS

##### 1) **Poor reviews: This was the issue that came up most consistently, even after Urang shared their more detailed response.**

We have reached out to two Urang sites, made 4 site visits and spoken to residents who live in the blocks they manage. The residents questioned recommended them and described them as very reactive. Speaking to several directors at Lombard Wharf, the feedback was that they recommend Urang for achieving RTM. We were also told that the Lombard Wharf RTM company has a large board that didn't set clear objectives and that this lack of direction meant there is confusion over what they want from Urang. After a site visit, the standard seems good.

Finally, on reviews, our contact at Leaseholder Knowledge Partnership (see above) said: *“There are some nonsense and ill-informed criticism of this company on one of the “trust” pilots, etc. but we have never had a substantive complaint about them in 10 years”*.

**2) Is Urang big enough to handle CBW as we would be the biggest and most prestigious development on their books?**

Urang has 20 years' experience and is large enough to manage CBW, but also small enough to remain flexible and build the right team needed for CBW whilst offering a bespoke approach to management. When you break CBW down by landlord (BH, FA, L&Q) each portion aligns to the biggest blocks Urang already manage. Urang is growing but also small enough to be able to add the right staff to support us both on site and off.

**3) How will Urang tackle staffing at CBW? They've said they won't have an on-site presence, how will that work?**

The comment in the tender pack about not having staff on site was generic and will not apply to CBW. Urang has strong staff across other developments who are looking for promotion and new challenges. Urang suggested having one senior property manager plus two supporting managers paid for out of their management fee (we currently have one of each) and we are negotiating for more. These would be on site every week and this is in addition to the in-house team that we would have on site consisting of the current staff who choose to stay and any replacements we may need.

**4) Can the cost of RTM really be recovered through the service charge?**

Yes, the cost can be recovered through the service charge on completion. There is no cost of RTM payable directly by leaseholders, as this will be included in the management fee of £300 +VAT a year and collected through the service charge in the same way that the RA subscription used to be collected. We see these costs as an investment as we believe we can achieve greater savings in other areas. This isn't enforceable but historically post other RTMs almost all residents paid and Urang would support on this. If RTM were to fail in court, then there would be no cost to leaseholders.

**5) Urang don't have an in-house accounting system, how will that work?**

Although Urang doesn't have internal accounting software, they use external software which is overseen by their in-house finance and accounts teams. The software, Blocks Online, is under constant development with regular updates and improvements and has a resident portal. Like most businesses, they use the IT package to manage billing, service charge accounts and supplier invoicing. Using external software gives us the option to have an open protocol system that we can switch more easily in future, should the need arise.

The issue of late accounts was raised. The standard target for management companies is to deliver accounts within 6 months of year end. Urang confirmed that they generally deliver within 3 months.

**6) Urang appears less ambitious than other managing agents on the need to reduce service charge. How are they still the best choice?**

Urang knows that a lot of work needs to be done to bring CBW back to the standard we would like to see. We have spoken to them about specific areas where we hope to find cost savings, such as with electricity, staffing and freeholder insurance commissions. Any savings could go towards works in order to mitigate future increases. Whilst they will work to make cost savings, they don't want to over promise based on the information we are currently able to share. We find this approach to be realistic rather than unambitious.

**7) Why aren't we having a vote on which managing agent to go with?**

We asked all leaseholders to put forward managing agents they would like us to look into and have consulted on our findings. The Committee have voted in support of the Chair recommendation (9 voting in favour, with 3 abstaining) and all leaseholders will be asked if they want to support RTM when we start collecting signatures in the near future. In terms of funding this process, Urang is the only option that will take us through tribunal stage, if needed. They are also a company with an excellent track record in successful RTM.

We are committed to delivering the best value for money and services to all CBW leaseholders by taking control and shifting the balance of power from freeholders to leaseholders and thank you for your continued support in achieving our shared goals.