

BEBINGTON HALL PARK (BHP) LTD - DIRECTORS REPORT: 6th October '22 – 30th June '23

With all of the outgoing Council of Management having resigned in the days leading up to the Annual General Meeting (AGM), held 5th October 2022; with no outgoing Directors' Report and no immediate transfer of BHP Ltd Minutes/Resolutions/Approvals; plus, no Report from Smith & Sons [S&S's] as to Works/Activities/Outstanding Issues; as, three newly appointed Directors', it was always going to be a challenge to get up to speed / familiarise ourselves of matters of importance. Of particular challenge and notable, has been the many unpaid hours spent (by Director - Jeremy Williams, in particular) to support the Property Manager.

The following is a snapshot of activity and key decisions made by the current Directors of BHP, to the end of the financial year (31st March) and, in the first three months, to: 30th June '23.

Description	Activity	Decision / Action	Status	Notes
BHP Council of Management	Resolutions	Formal Resolutions were passed on 11 th October '23 to: <ul style="list-style-type: none">• Appoint Directors• Appoint auditors	Completed	
BHP Communications Strategy	<ul style="list-style-type: none">• Communications Strategy for BHP:<ul style="list-style-type: none">• Smith & Sons, as first line of contact for BHP owners• Produce a Newsletter – ideally, twice yearly• Possibly Social Media [suggestion Facebook - tbd]• Website / Portal [using BHP Email Address] – to log & report all issues; for members to be able to contact Council of Management; and as a repository to access key documents and records of note.	<ul style="list-style-type: none">• Directors Agreed a Communications Strategy for BHP	Completed <ul style="list-style-type: none">• 1st Newsletter produced, Apr '23 – included:• Smith & Sons contact details• 'New' BHP Email address; and• 'New' Help-Desk Portal	Some positive feedback has been received about the improvement in communications and the introduction of the Website/Portal.
Familiarisation of BHP – Estate & Flat	<ul style="list-style-type: none">• Review of key documents and of decisions made	<ul style="list-style-type: none">• Directors requested via S&S, that the outgoing Directors provide current Directors with BHP Papers – particularly, documents identifying decisions approving works.	Not fully completed	<ul style="list-style-type: none">• Received some papers from the former Directors – but which identified a lack of a paper trail for outgoing instructions to S&S.

				<ul style="list-style-type: none"> S&S did also not seem to have adequate, itemised quotes, which should have been seen by the former Directors, for them to make a choice. The invoices seen by Directors, leave something to be desired.
Smith & Sons – Issues of Note / Works carried out across Estate / Flats	<p>Directors’ familiarisation of matters arising in respect of BHP [Estate & Flats] and of ongoing works/issues:</p> <ul style="list-style-type: none"> Trees Painting step fascia’s BHP Email Address Rolling programme of paving – S&S provided an overview as to works done to date and an outline of the verbally agreed schedule of further paving works for the coming year Financial Transactions Sinking Fund 24 Kings Close [BHP Owned Property] Apportionment of Water & Electricity Outstanding Issues/Works of Note 	<ul style="list-style-type: none"> Trees – Directors agreed urgent action be taken on the dangerously overhanging tree (as flagged, 6th Oct ’22 AGM by a house owner who’d raised the issue, 12-months previous) Painting step fascia’s – request by Directors for these to be painted with non-slip paint BHP Email Address – Directors requested Smith & Sons to make enquiries with outgoing Council of Management for access to the BHP email address – intended to be used, as part of the agreed ‘new’ communications strategy 	<p>Completed</p> <p>Completed</p> <p>Not Completed – new Email Address being used</p>	Tree works will continue as an ongoing programme of works after ensuring works are only where we are responsible!

		<ul style="list-style-type: none"> • Rolling programme of paving: <ul style="list-style-type: none"> • Directors agreed to seek more information about the scale of the works done and the amounts paid, to date • Directors requested initial corrective action to be taken by the contractor to rectify some areas of dangerous paving 	Ongoing	The Directors' have significant concerns regarding the expenditure of paving incurred. We've already recovered nearly £4k of a total of £50k expended – we're still not in a position to say whether the remaining money was properly expended. We do not have any resolution to support the expenditure nor evidence of confirmation all work changed for was actually carried out. At the moment the Directors are not satisfied members' funds were adequately safeguarded.
		<ul style="list-style-type: none"> • Financial Transactions – Directors: <ul style="list-style-type: none"> • requested S&Ss provide records of transactions, both for familiarisation purposes and to enable them to sign off BHP Accounts and to help 'Estimate' the 6-months Service Charge due, Nov-Mar. 	Completed	

		<ul style="list-style-type: none"> • Sinking Fund – Directors agreed that: <ul style="list-style-type: none"> • although useful to have a cushion, nevertheless having one, remains unlawful and must therefore stop. • Agreed to work with Smith & Sons, to rectify the situation (agreed a cut-off date with S&S of 31/3/22) by which to, separate the credits and return them to owners' accounts (held on trust with S&Ss) 	Completed	<p>As a direct result of the return of the unauthorised reserve fund, the credit balance for those members who have maintained monthly payments after the July payment should be about £450 for flat owners and £250 for house owners. This is your money. It is now better protected as a buffer for future payments in your hands. This buffer would have been much higher, if it hadn't been for a sizeable amount of the large reserve fund having largely been spent on paving.</p>
		<ul style="list-style-type: none"> • 24 Kings Close – Directors were advised that the tenant had been receiving a rent reduction of £100 for 6-months [from £550 pm to £450 pm]: <ul style="list-style-type: none"> • Directors haven't received any paperwork to support the decision by the former Council of Management to reduce the rent. 	Not all actions were Fully Completed	<p>Following a rent review, rent of £575 pm is now being charged.</p> <p>We report a reduced surplus for the year of £793. Income for this property, was lower due to the rent reduction which had</p>

		<ul style="list-style-type: none"> • Directors requested S&Ss to find out if the property had had a rent review? • Directors' requested sight of a decision/ agreement (in writing) by the former Council of Management / the reason? • Directors agreed that the rent should increase and a rent review be done [requirement that a fair rent be paid, as property is owned by 99 members of BHP Estate]. 	Completed	<p>been given to the tenant, prior to us becoming Directors.</p> <p>In the period before the appointment of the current Directors, expenditure on this property was higher than might have been expected:</p> <ul style="list-style-type: none"> • £205 spent on two separate contractors to attend to the heating boiler (neither contractor remedied the defect). • £1,200 was spent to remove suspected asbestos to allow an optional 'smart' meter installation; and • £900 was spent on a new garage door.
		<ul style="list-style-type: none"> • Apportionment of Water & Electricity – Directors challenged the current apportionment & sought to work with S&Ss to remedy this more accurately. 	Completed and meter with no supply removed from billing altogether	

		<ul style="list-style-type: none"> Outstanding Issues/Works of Note – Directors requested that S&Ss provide a full list to them of any outstanding works/issues of note 	Not immediately resolved – ongoing	<p>Details of issues and works reported to S&Ss (both pre-5th Oct '23 and in the first 3-months) and which were pending / not completed, were not fully received Directors. Instead, piecemeal information was received from S&Ss. It was necessary to include a system on its new 'Portal' to log all works/issues of note – as both an audit trail and to ensure all actions / works are completed and prioritised.</p> <p>Significant and regular work is being carried out by one Director to monitor and manage work / issues raised, for S&S to action/resolve.</p>
Complaint about Waste Disposal	Complaint to Directors about Notices put up in the Bin Stores, and of hand-delivered letters to owners/tenants of the Flats.	Directors addressed the complaint made to them, by investigating the issue raised; by removing the Notices and responding directly to the complainant – which advised the complainant, that on further investigation, the Council of	Completed	Provided advice to owners in the 1 st 'April '23 Newsletter' about the correct disposal of waste (according to Wirral Borough Council).

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		Management identified that the 'instruction' about 'clinical waste' contained in the Notices was incorrect.		
HM3 – Legal Work in respect of BHP	Legal Transfer of Properties – 2 of 3 Directors (having provided ID) to sign 'Deeds of Covenant' to transfer properties		In place	<p>4 BHP properties were signed off by the current Directors, in respect of their transfer, between 1/11/22 to 31/3/23 [end of financial year]:</p> <p>1 BHP property has been signed off, since the start of the new financial year, 1/4/23.</p>
Leased Land at the side of 6 Mount Avenue	We identified £400 arrears for some leased land at the side of 6 Mount Avenue, which the current Directors discovered we also own.	<ul style="list-style-type: none"> • Directors agreed to pursue the outstanding arrears and make enquiries about the land. • The current Directors agreed an increase in rent for this land, 	Completed	<ul style="list-style-type: none"> • The arrears have now been paid; and • based on advice, we are now charging what is advised as a current market rate from £450 to £575 per annum.
Directors Estate Walks	<p>Identified poor quality work on the Estate & Flats.</p> <ul style="list-style-type: none"> • Directors picked up a variety of issues – to be raised with S&S – these included: <ul style="list-style-type: none"> ○ Lack of quality of completed works. 	<ul style="list-style-type: none"> • Directors requested that S&S put a process in place, to oversee / quality assure works to be done. • Pictures of works were emailed to S&S – Directors advised of their need to establish: <ul style="list-style-type: none"> ○ when work was completed; ○ who (if any) carried out any 	Ongoing	

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	<ul style="list-style-type: none"> ○ Bin Store Roofs with poor quality felting ○ Broken guttering (following repairs / renewed Bin Store Roofs) ○ Flooring in the communal corridors of the Blocks of Flats – is unattractive/unsightly ○ Broken/loose coping stones ○ Loose brickwork under stairs 	<ul style="list-style-type: none"> ○ quality reviews; and ○ to ensure that any rubbish is not left by contractors when they finish on site, but that all rubbish is removed. 		
Estimates previously received for Road Works & Guttering/Down Spouts	Directors were made aware of 'Estimates' for works – but weren't provided with any supporting paperwork.	<ul style="list-style-type: none"> • Directors requested sight of 'Estimates' to consider – was advised by S&Ss that simple 'texts' / verbal quotes had been given. • Directors agreed to not proceed with any informal quotes, and any that were scant of detail. • Directors have also requested S&Ss to provide detailed specifications to contractors, in support of works required. 	Ongoing	
FME1 & LPE1 - Legal Enquiries Documents	<p>Smith & Sons, didn't have an accurate or standard response to provide to buyers:</p> <ul style="list-style-type: none"> • of Houses (Freehold Management Enquiries – FME1) and; • of Flats (Leasehold Management Enquiries – LPE1) 	<ul style="list-style-type: none"> • Directors stepped in to provide 2 x standardised and accurate responses by way of an FME1 and an LPE1 	Completed & In Place	
Leased Land at the rear of 32	Directors identified a small amount of arrears due for this small parcel of	<ul style="list-style-type: none"> • Directors have resolved the issue with both the land owner & with 	Completed	

Mount Drive	land. That, attempts had been made by the land owner to pay, but that monies had kept being returned by S&Ss.	S&S.		
Identified undisclosed transaction from a previous financial year	The Directors identified an undisclosed transaction in a previous financial year – the benefit having been made to a former Director.	<ul style="list-style-type: none"> Directors have made the transaction known to the Auditors. As a side issue, it's also transpired that the same Director was actually not eligible to stand as Director – being a tenant, not an owner of a BHP property. This situation should never have happened and has been taken up as a separate issue with S&S. 	<p>Completed</p> <p>Ongoing</p>	<p>The current Directors implemented a Conflicts of Interest Policy and introduced a Register of Interests – necessary for all New & Current Directors to declare any Interests.</p> <p>The Auditors will now ask an annual question of the Directors, as to the declaration of any interests / benefits.</p>

CONTINUING SCHEDULE OF WORKS

- The regular grass cutting and hedge cutting have continued to be done during the year; as well as
- Communal cleaning to flat floors.

PROPOSED WORKS – some of which were mentioned in the April '23 Newsletter [to be prioritised, following AGM]

1. **Flats – Stairs & Stairwells:** The stairways and landings to the flats were resurfaced a few years ago. At the moment brushing and washing the rough surface is difficult due to the product used and the textured finish. We have met with the original contractors and are continuing to try to find out the specification for the previous works to see if there is any recourse to the original contractors.
2. **Flats – Lighting:** We have asked for an estimate to replace all the stairway lighting with energy efficient attractive fittings.
3. **Flats - Insulation of External Walls:** Unfortunately, the 'free' grants that had been in existence now appear to have ceased. We are researching the presence of roof insulation and investigating whether any of the previously free schemes can be used to insulate the walls.

4. **Garages (applies to flats and houses garages):** Many of the garages are little used and some are in very poor condition. It is clear some are not regarded as useful. We are open to suggestions as to how to improve the situation. It seems principally to relate to roof/ fascia replacement and new doors may be beneficial? We asked if garage owners would be interested in paying for a contractor to do multiple works at a discounted rate? Alternatively, we would ask if some extra parking would be welcomed if any unwanted garages were surrendered to benefit the estate and cleared?
5. **Estate:** Despite the expenditure already incurred, there are still areas of paving in unacceptable condition – it is intended to deal with these on an ad-hoc basis.
 - Some of the ground levels around the flats are still rather high and estimates are being obtained to deal with this.
 - All the estate roads and parking areas have been maintained on a sporadic and poor-quality temporary basis. This now leads to them being very poor in appearance and reflects badly on the estate. We are looking to see if we can undertake a scheme of resurfacing - utilising more attractive materials, maybe macadam with coloured chippings to differentiate from public roads and to define parking areas.
 - The Estate is enhanced with substantial mature trees. This has been a source of some recent expenditure and regular tree surveys are undertaken. We are shortly to undertake some regular maintenance. Work was paused for consideration of the specification and extent as it has been found work was about to be undertaken on trees which were NOT our responsibility.
 - The external metal work, lamp posts, railings, gates and gate springs etc. appear neglected - estimates have been obtained with a likelihood that works will commence as soon as possible but this is delayed as Smith & sons have not yet obtained estimates for repairs to railings and gates and installation of car barriers.
6. **Potential for additional Car Park Spaces to be created.**
7. **Fire & Emergency Evacuation Risk Assessment – Awaiting more reasonable cost and comprehensive specification.**
8. **Tree Report and continuing schedule of tree works will be reviewed before the autumn.**
9. **Gardeners' Area – likelihood that Directors will request this area to be tidied up to help stop complaints from overlooking house owners.**