



Summer 2022

# Right to Manage is still the only way forward at Chelsea Bridge Wharf!

## Rendall and Rittner must go

The managing agent (Rendall and Rittner) are employed by the freeholders (Berkeley Homes and Fairhold Artemis). **They answer to the freeholders and not to residents.** As things stand, residents have no way to hire or fire the managing agent. Rendall and Rittner continue to hike service charges beyond inflation and deliver a service which the vast majority of residents are dissatisfied with and which many believe is deteriorating.

## More Service charge hikes

R&R have refused to confirm or deny **anecdotal evidence from residents suggesting service charge increases in summer 2022 of 15-25%, varying considerably by block**). Clearly this is way beyond the current or projected inflation rate for 2022/23. In 2021, prior to the 2022 inflation spike, service charges went up approximately 12% according to information supplied by Rendall and Rittner, who will also **(apparently by agreement with the Chelsea Bridge Wharf Residents' association - CBWRA) make an extraordinary 'cash call' of up to £700 per leaseholder, even though leases have no mechanism permitting this.** The 'cash call' allows R&R to claim a lower headline rate of service charge increase so it is unclear how this increases transparency (as CBWRA have claimed). No clear rationale has been given for these increases either by R&R or CBWRA but inflated contract costs (similar to the £2 million pond relining quote) may well be part of the picture, along with high staff turnover, a lack of planning/running down reserves plus extremely unclear 'balancing charges'.

## How can we get rid of Rendall and Rittner and take back control?

The only way in which residents can freely choose their own managing agent, or decide to run services themselves, is through a process called **Right to Manage (RTM)**.

## What is Right to Manage and how can we get it?

**Right to Manage** refers to legislation allowing residents to come together and take the right to manage from the freeholder. **Residents can then decide which managing agent to appoint, or can run services themselves** with a few basic services outsourced to a managing agent.

## CBWRA have claimed RTM is not achievable at CBW – experts say otherwise!

Independent expert advice obtained by residents in June 2022 shows that CBW can achieve Right to Manage (<https://tinyurl.com/28dht6ya>) and therefore it appears *CBWRA has misinformed residents in stating that Right to Manage is not possible at CBW.*

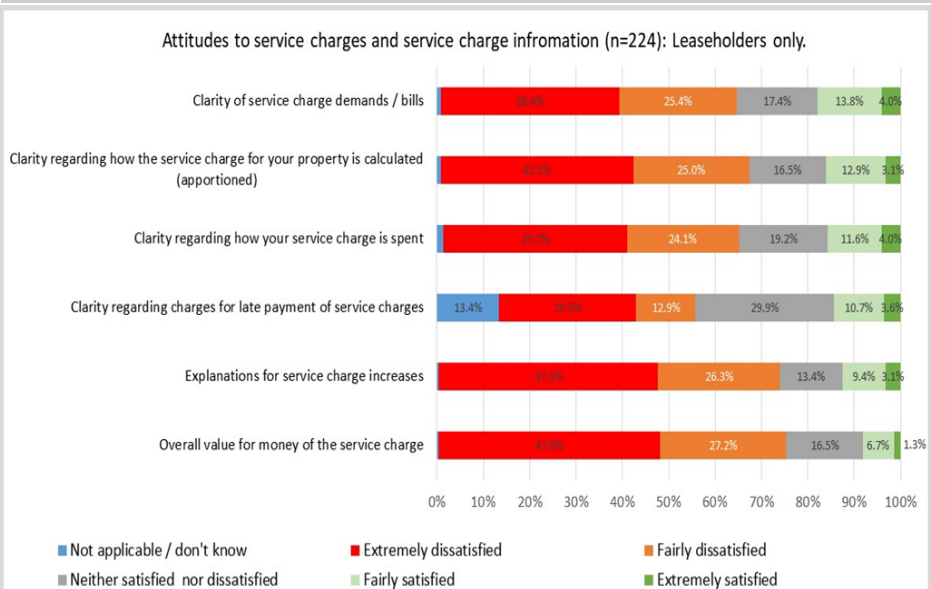
## CBWRA are 'retendering the management contract'-is this the same as Right to Manage?

**No! Retendering the management contract has nothing to do with Right to Manage (see p.2 for full comparison).** Retendering the management contract is only possible if Berkeley Homes VOLUNTARILY agree to participate (they have so far declined to do so). Even if the retendering occurs, it may not lead to the replacement of Rendall and Rittner. Even if a new managing agent was appointed they remain answerable to Berkeley Homes/freeholders, not to residents. **CBWRA claim that retendering the management contract could lead to the same outcomes as Right to Manage, but this is only true if BH voluntarily surrender rights to residents and there is no reason to suppose they will do that.**

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# Chelsea Bridge Wharf Residents' Newsletter

## CBW Residents' Survey—the verdict on Rendall and Rittner



**Just 8% of residents are fairly or extremely satisfied with the value for money of the service charge; 12.5% are fairly or extremely satisfied with explanations for service charge increases; 14.3% are fairly or extremely satisfied with clarity regarding charges for late payment of service charges. See full [survey report \(http://tinyurl.com/22eu77wu\)](http://tinyurl.com/22eu77wu)**

# ‘Right to Manage’ versus ‘retendering the management contract’— what is the difference and why does it matter?

CBWRA have claimed that Right to Manage is not possible at Chelsea Bridge Wharf. Specifically CBWRA/Mr Roger Southam (who was commissioned by CBWRA in January 2022 to manage the contract retendering process at a cost of up to £15,000) claimed in a newsletter emailed to residents on 23.5.22 that a supreme court judgement (First Port V Settler’s Court) meant that Right to Manage would not be possible at Chelsea Bridge Wharf and that this was the reason why CBWRA have not pursued Right to Manage. Specifically, Mr Southam stated [in his letter of 21.5.22: https://tinyurl.com/3ndjnc5w](https://tinyurl.com/3ndjnc5w)

“Right to Manage (RTM) is now not a feasible option for Chelsea Bridge Wharf (CBW) because of a Supreme Court decision (First Port v Settlers Court RTM) which means that whilst the buildings can obtain RTM the estate grounds would not come over to leaseholder control. Therefore the only option at present for CBW would be to engage with Berkeley and Fairhold to work together to address the change of management and managing agents.”

## Has CBWRA misinformed residents regarding Right to Manage at CBW?

However the [expert advice obtained by residents in June 2022 \(https://tinyurl.com/28dht6ya\)](https://tinyurl.com/28dht6ya) or [scan QR code below right](#) shows that this is not the case—the **judgement of First Port V Settler’s Court has no relevance to Right to Manage at Chelsea Bridge Wharf**. That is primarily because the **judgement only has relevance to developments with multiple Right to Manage organisations**. CBW could apply for RTM as a single unit as all buildings are joined by the underground car park. This also means that CBWRA/Mr. Thompson’s claim (CBWRA newsletter 23.5.22) that



“leaseholders in large estates are unable to sever ties with the former management company by utilising the right to manage scheme”

**is incorrect and appears to be based on a fundamental misunderstanding of the legislation/the First Port v Settler’s Court RTM judgement.** Therefore, the judgment which CBWRA claim was the barrier to pursuing Right to Manage at CBW is actually not a barrier of any kind. **This suggests that pursuing retendering of the management contract using a 10 year old agreement which only includes one of the freeholders (Fairhold Artemis) but which does not include the other freeholder (Berkeley Homes) was at best a very poor decision. To add insult to injury, residents were not consulted about this decision, and were denied the opportunity to vote on it at the Chair elections**, as the contract with Mr Southam was signed only a few days before the elections, “locking in” this course of action, regardless of who was elected. This made the January 2022 Chair elections meaningless and hence the author of this newsletter withdrew from the process. **Right to Manage is not only possible, it is the only meaningful way forward as shown below.**

Outcomes	Using Right to manage (RTM) process	Retendering of management contract via the agreement with Fairhold Artemis	Notes
Residents can invite or exclude any management company to bid for the management contract	YES	NO	At least one company has been excluded from bidding on the management contract , on arbitrary grounds, by one of the freeholders.
All freeholders are obliged to participate in the process	YES	NO	Only Fairhold Artemis are obliged to participate in the retendering process. As CBWRA admit, there is no legal power to force Berkeley Homes to take part in the retendering process.
Residents have full hire and fire rights over management company	YES	NO	With retendering of management contract, only freeholders can terminate the contract of which ever managing agent is appointed
Residents can decide to run services themselves	YES	NO	With a successful RTM this is guaranteed. With retendering the management contract it is only possible if freeholders VOLUNTARILY hand over these powers, which is very unlikely.
Any management company which is appointed will answer to the residents, not the freeholder	YES	NO	With retendering of management contract, which ever managing agent is appointed will still answer to the freeholder, just as now.
Process is time limited/has an expiry date	NO	YES	The agreement with Fairhold Artemis expires at the end of 2022 and no new retender process can be started after the end of 2022

# Is CBWRA able or willing to get rid of Rendall & Rittner?

**Scrutiny of Rendall & Rittner by CBWRA** should be holding Rendall & Rittner to account but this is only happening to a very limited extent e.g. in scrutiny of large capital expenditure. However, as the latest large service charge increases show, this only checks some of the worst excesses. Some sort of 'audit' of R&R's service charge accounting has finally been carried out but this could have been done over a year ago had the Chair not resisted it so strongly, in order to preserve a 'collegiate relationship' with Rendall & Rittner. The audit which has been carried out has not been led by a qualified accountant, let alone a forensic auditor. The budget for the initial audit is £6,000 but the hourly rate charged by the consultant (Mr. Roger Southam) is £250, equating to 3 days to analyse ? 6 years of accounts for 9 blocks.

**Since Mr. Thompson became Chair of CBWRA (Jan 2021) there has been just ONE meeting where residents could ask Rendall & Rittner questions directly (Dec.2021). Rendall & Rittner have therefore largely avoided direct resident scrutiny.** Residents are frequently exhorted to attend monthly committee meetings but are not allowed to ask any questions — they are mute observers.

**Dubious claims about the management contract retendering process** In February 2022 CBWRA/Mr. Southam promised a 'new managing agent' would be appointed by June 2022. (see [Roger Southam's published timeline https://tinyurl.com/2p8abrpf](https://tinyurl.com/2p8abrpf))

This of course was dubious in several respects. Firstly the timescale was wholly unrealistic, secondly it makes the unwarranted assumption that Berkeley Homes would participate in the process and thirdly it suggests that Rendall & Rittner would be replaced when in fact there is no guarantee at all of that outcome. It further assumes that Berkeley Homes and Fairhold Artemis would voluntarily surrender powers to residents which would allow 'self-management'.

**CBWRA/Mr. Thompson have made at least two further claims about the process which misinform residents.** Firstly the claim that the retendering process IS Right to manage ([CBW app post 17.1.22 https://tinyurl.com/4xnf8hr7](https://tinyurl.com/4xnf8hr7)) when in fact it has nothing to do with Right to Manage (see Table on p.2) and secondly (at the failed AGM in May) the repeated claim by Mr. Thompson that the agreement with Fairhold Artemis requires Rendall & Rittner to be allowed to bid for the contract (the agreement does not require this as CBWRA later admitted).

**“Just wait till September”! (or maybe October November, December, never?)**

**Having promised a new managing agent by 1st June,** the CBWRA mantra now seems to be 'Wait until September' with the management contract retendering timeline being pushed further and further back towards end of year. The excuses for the delay have been many and varied. Initially residents were told on the CBW app that managing agents did not want to take part in the retendering process until the cladding remediation work had finished. It soon emerged that in fact it was the freeholder (Berkeley

Homes) which wanted to wait until the scaffolding was taken down. A third explanation for the delay (from the Chair, at the failed AGM on 8th May 2022) was that BH wanted to complete their annual review of Rendall & Rittner. As managing agents have no role in the remediation work or the scaffolding, and as BH's review of Rendall & Rittner is complete, what is preventing BH from making a decision right now regarding whether to participate in the retendering process? We are also promised all scaffolding down by September and (better late than never) a vote on options for the fountains, including 'gardenisation'.

**CBWRA's 'collegiate' relationship with Rendall & Rittner** The authors of this newsletter do not allege or imply any illegal, corrupt or bad faith behaviour by anyone. The following events are a) demonstrably true and b) in the public interest in understanding the 'collegiate relationship' with Rendall & Rittner and especially the R&R Director, Mr. Richard Daver.

Mr. Thompson has repeatedly expressed confidence in Mr Daver (a view shared by few on the committee, to the best of my knowledge).

In June 2021 a senior member of Rendall & Rittner staff resigned, citing serious concerns about his manager's conduct at CBW and a lack of trust in her. CBWRA had considerable detail on this incident but told residents little or nothing at the time.

Following enquires by a committee member (Mike O'Driscoll) regarding Rendall & Rittner's captive insurance companies, Mr. Thompson contacted Mike O'Driscoll (July 2021) telling him that he should not ask Mr Daver questions on this subject and that the queries had been settled/answered in committee (in fact they had not at that time).

The day after [an email from Richard Daver https://tinyurl.com/5xx28x32](https://tinyurl.com/5xx28x32) to Mr. Thompson (16.9.21) complaining about Mike O'Driscoll's [petition against Rendall & Rittner](#), Mr. Thompson insisted that Mike O'Driscoll close the petition/stop promoting it or leave CBWRA committee.

Mr Thompson repeatedly contacted Mr O'Driscoll about the petition in September 2021 despite Mr O'Driscoll pointing out that he was on holiday and did not wish to discuss until his return.

Mr. Thompson said that committee members should not run petitions or make 'escalating' complaints against Rendall & Rittner (19.9.21 CBWRA committee meeting). On 29.9.21 Mr Thompson again demanded that Mike O'Driscoll take down the petition or leave the committee.

Mr. Thompson has repeatedly asserted (e.g. AGM, May 2022) that Rendall & Rittner's performance is improving following the appointment of (another) new estate manager (Brian Klue) - a view not shared by many residents.

According to information supplied by CBWRA, Rendall & Rittner quoted £2 million for pond/fountains relining, and committee members found alternative quotes for £180,000 (a difference of £1.82 million). Mr. Thompson apparently believes Rendall & Rittner deserve at least part of the credit for these 'cost savings' (see minutes of CBWRA committee meeting March 2022).

# A letter of reply to Chelsea Bridge Wharf Residents' Association—regarding failures of leadership in governance, transparency, democracy and resident consultation

**Blatant censorship by CBWRA** On 22nd of May 2022 the author of this newsletter (Mike O'Driscoll) received an email from the Chelsea Bridge Wharf Residents' Association which I believe was written or approved by Mr. Thompson, Chair of CBWRA, notifying me that my access to the CBW app had been 'terminated'. It was claimed that I had published "inaccurate and misleading statements" on the CBW app but the statements supposedly in question were not identified. This vague assertion by CBWRA was supposed to be sufficient evidence for the closure of my account. The email did not say what rule of the CBW app use had supposedly been broken, what procedure had been used to investigate it, nor was I given any chance to comment or explain on the supposed inaccurate statements. **I have replied in full to CBWRA by letter and I cover some key points here:**

**Are CBWRA misinforming residents regarding Right to Manage?** Closing my CBW app account was unilateral, arbitrary and lacking in any attempt at due process or fairness. Closing my CBW app account and then sending a 'newsletter' to residents, mentioning me by name, and making misleading statements about me, having first removed my ability to reply on the CBW app, was cowardly, unfair, undemocratic and Orwellian given that it is CBWRA who are misinforming residents about RTM, and I have given correct advice, as evidenced in this newsletter.

**Unwillingness to tolerate scrutiny or legitimate criticism on the CBW app** This is not an isolated incident - my app account has been closed on two previous occasions on equally spurious grounds and reinstated only after resident protests. On this occasion I asked residents not to protest because if there is no freedom of speech, no possibility of legitimate scrutiny or criticism, then the CBW app is not worth participating in. Other residents have also been personally attacked by the Chair/members of the committee for asking simple questions e.g. why service charges have increased.

The CBW app is supposed to be held in trust by CBWRA for the common good, not simply to be a mouthpiece for the Chair or committee. **The fact that residents' CBW app accounts can be closed in an arbitrary way without due process is evidence of poor governance in the CBWRA which some residents feel places undue power in the hands of the CBWRA Chair.** It denies the possibility of a safe space online where residents can openly share their views and makes fair elections impossible.

**'Dissenters' forced off CBWRA Committee** This is not just about the CBW app. There is a lack of tolerance for any serious opposition to the Chair within the committee as I know from over 6 months of personal experience where challenges to the view that RTM/changing managing agent is not possible was quickly closed down (as the recordings show). This view only changed in December 2021 when I obtained expert advice that RTM was possible, at which point CBWRA suddenly 'remembered' the 2012 agreement with Fairhold Artemis which they are now using in what seems a failing attempt to retender the management contract.

In May 2022, a committee member, frustrated by the lack of progress on the cladding works (which have dragged on for more than 2 years) and the lack of progress with the management contract retendering, wanted to call a vote of no confidence in the Chair. However the constitution contains no provision for removing a Chair other than at election. The Chair responded to this challenge by telling the committee member to 'put up or shut up' and that he should not risk upsetting Berkeley Homes. The Chair called for a secret ballot on whether the committee member could remain on the committee, despite the fact that there is no such mechanism in the constitution (i.e. the Chair is literally making up rules). This committee member was then 'voted off' the committee,

but apparently only the Chair and Secretary have access to the votes. Many see it as gross hypocrisy and poor governance that committee members cannot call a vote of confidence in the Chair, but he can effectively call a vote of confidence in them!

**CBWRA committee: No-one is elected apart from the Chair** With the exception of the Chair (who received approximately 42% of just 250 votes cast in January 2021) no committee member has ever been elected, neither are the Treasurer, Secretary or Directors elected - all are appointed by the Chair. Since committee members have no mandate from residents they remain on the committee essentially at the will of the Chair.

## **A failed AGM—CBWRA ignores its own constitution**

The AGM was a rare opportunity for residents to meet with CBWRA and there was some useful discussion. On a procedural level it was an embarrassing farce. Contrary to the constitution (6.2) residents were not notified of the AGM 14 days in advance by post/leaflet. In fact not even email invitations went out. **Despite this Mr Thompson stated that 'everything had been done' to encourage attendance.** No attempt was made by the Chair to establish if the meeting was quorate (i.e. whether 15% of members attending). In fact just 24 residents attended the AGM, (approximately 2.4% of CBWRA members) the meeting should therefore have been rescheduled. No statement of membership was given, no committee elections were held/nominations invited and the Chair tried to close the meeting without the required statement of finances. CBWRA later claimed the recording of the meeting, in which R&R were heavily criticised and difficult questions were asked of CBWRA, had failed! The meeting notes make false claims about what I said at the meeting. Luckily I have my own recording! A recording of the December 2021 meeting was also promised by CBWRA but as far as I am aware was never shared to residents.

**We can do much better than this** Many CBWRA committee members are doing good work, particularly on challenging inflated quotes for large capital works and I believe most want R&R gone. Unfortunately some committee members have accepted on trust the view of the Chair/Mr. Garton-Jones that RTM is not possible and that the contract retendering process is the only option, or that RTM would cost huge sums of money (in fact costs would only arise if freeholders unreasonably objected to RTM and if CBWRA then decided to fight that objection at tribunal - experts advise such objections are unlikely).

**The truth is we can have Right to Manage and could probably have already achieved it had the last 18 months not been wasted due to the narrative that R&R were improving and that there was nothing we could do about them.** The management contract retendering process which Mr. Thompson/Mr. Garton-Jones have chosen (**without resident consultation**) is at best stalled until late autumn and in my view will not lead to meaningful change even if it proceeds, which seems unlikely. **In fact since January 2021 there has been just ONE consultation with residents** - the 2021 residents' survey which I carried out despite the Chair refusing to share the CBWRA email list, claiming that GDPR prevented this.

To get RTM, we need a residents' association led by the wishes of residents, rather than those of an unaccountable few; an RA which engages and consults with residents, which is transparent and welcoming of all views and expertise.

**Stay in touch! If you are interested in receiving further updates by email, or wish to discuss working towards Right to Manage and an open democratic residents' association please contact me (Mike O'Driscoll):**

[residents@chelseabridgewharf.org.uk](mailto:residents@chelseabridgewharf.org.uk)

**If you are a tenant please copy this newsletter to the landlord/leaseholder. Thankyou!**