

## Summary of OM questions and Answers

Please also refer to the minutes of the various meetings held with OM		
Question	Answer	Action
<p><b>Q1 Letters being addressed to Freehold Dwellings as 'Dear Tennant'</b> Confusion and anxiety has been caused by the contract documentation that treats everyone as tenants where the majority are owners. What is the possibility of correcting this?</p>	<p><b>July 2014</b> - OM representatives stated that the contract documentation was drawn up by David Wilson and could not be changed. However, letters to house owners should not be addressed "Dear tenant" and will take steps to ensure that this will not occur in future. <b>Oct 2014</b> - Future letters will be addressed to the householders by name</p>	<p><b>FERNWOOD to monitor</b> Ongoing action</p>
<p><b>Q2 OM to respond to the consultation report provided by Hodgson Elkington</b> Residents are very concerned over the level of the management charge. OM employees regularly state that these charges are on a par with the industry standard. Will OM demonstrate that comparison and explain the financial composition of the management charge? The contract has not been market tested for over 10 years and looks set to continue for at least another 5 years. Would OM be willing to market test it voluntarily in 2016?</p> <p>Can Fernwood have a copy of the OM contract with DWH?</p> <p>Did OM have input to the freehold and leasehold dwelling transfer contracts?</p>	<p><b>July 2014</b> - OM representatives considered that OM would be unable to voluntarily put the maintenance out to a tender process before the specified period of 5 years after the completion of the last property. This was due to the legal agreement that they have and the Land Charges documentation. When OM representatives said that their charges were in line with the industry standard, they appeared to be comparing the charges to ones that OM made to other estates. OM representatives were unwilling to compare their charges to other companies and would not comment on the consultant's report as they had not received a copy. It was agreed that the Parish Council would provide OM representatives with a copy of the consultant's report and OM agreed to respond to it. <b>Oct 2014</b> - OM have recently conducted a profitability study which shows that Fernwood is not profitable for them. They were therefore satisfied at the level of management fee and re-iterated that they would not be prepared to put themselves up to tender as their contract with DWH will continue for at least 5 years after the last property is sold within the Central Fernwood boundary. The contract is a private matter but agreed to provide a copy if written agreement is received from DWH. <b>January 2015</b> - B/DWH refused to provide a copy of the contract, deeming it commercially sensitive. OM confirmed that dwelling transfer documents were created by DWH and they did not have input to the text or construction of the document. See Q7.</p>	<p><b>FERNWOOD</b> – write to DWH for written consent to have a copy of the maintenance contract with OM <b>B/DWH - REFUSED</b></p>
<p><b>Q3 Extra Charges imposed when selling/buying, re-mortgaging or altering a freehold property.</b> Significant extra charges are being made during house sale and purchase, change of mortgage lender and for house enhancements. The Strategy Group ask for these to be eliminated.</p>	<p><b>July 2014</b> - A sheet detailing the extra charges was provided by OM at the meeting. OM were unable to comment on the amount of the charges and stated that they would contact the department that dealt with this for an explanation. <b>Sept 2014</b> - Queries were raised about the delays in completing the transfers or re-mortgaging and also the high level of fees charged by OM that caused unnecessary stress amongst residents. Effectively a double charge since, upon the sale of a property, both buyer and seller would be charged for effectively the same transaction. Tim H agreed to query these matter with Head Office. <b>Oct 2014</b> - OM do not deem the charges to be excessive for dealing with the sale/purchase or re-mortgage of a dwelling but will look into the justification of a charge for re-mortgage.</p>	<p><b>OM to action</b> <b>OUTSTANDING - OM</b></p>

		<p>The £500 charge imposed by OM to a resident for the installation of solar panels was apparently in error and has been reversed. OM will look again at the justification of a charge to freeholders where planning permission is not required.</p> <p>If a brick built change to the sq footage is planned, then OM feel they need to be informed and a certificate of approval provided at a charge.</p> <p><b>January 2015</b> The Transfer for the freehold properties have a restriction as per the <i>Third Schedule, Part A, paragraph 10</i> which is: <i>'not to add to or later any building on the property in any way so as to effect the external appearance thereof.....without the prior written consent of the Transferor for a period of 5 years from the date hereof and thereafter the Manager...'</i></p> <p>The freehold houses therefore have to get consent from OM Property Management who is the Manager named in the Transfer for the property. Our normal management fee is for providing the services for the whole estate but do not include any individual service for one property. It is standard market practice to make a charge for consent under the terms of a legal document. We benchmark fees annually and are satisfied our fee of £224 + vat per application is reasonable.</p> <p>Solar panels and all matters affecting buildings are dealt with by our 'Alterations' section manned by an administrator who spends 60% + of their time dealing with alterations. Alterations enquiries generally are labour intensive, i.e. consultation with our Property Managers, may require a visit to site, or instructing surveyors etc, and many enquiries do not come to fruition.</p> <p>Our customers require us to provide a service which will enable them to make changes and alterations to their properties and it is not possible for us to do this free of charge and it would not fair to other resident to include it in our management fee.</p> <p><b>OM will look again at the 'double' charge imposed on a dwelling when sold (seller &amp; buyer paying the charge for the same information)</b></p>	<p>See also Q20.</p> <p><b>OM to action OUTSTANDING - OM</b></p>
<p><b>Q4</b></p>	<p><b>Explanation of the method used to calculate the service charge levied</b></p> <p>Residents are concerned over the way that the service charge is calculated for their property. The Strategy Group would like to be provided with a written explanation of the method of calculation and would welcome OM representatives to attend a meeting of the Strategy Group to provide an explanation.</p>	<p><b>July 2014</b> - OM representatives were unable to discuss as they had no knowledge of how the service charge is levied but they agreed to bring their accountant to a meeting with the Strategy Group in September to discuss the composition of the budget and the way in which charges were calculated for individual properties. The Strategy Group agreed to provide detailed questions for which responses would be required in advance of the meeting. It would be agreed at this meeting whether OM would attend a meeting of the Residents Association or whether a report from the Strategy Group would be sufficient.</p> <p><b>Sept 2014</b> - OM showed the method for calculating the service charge.</p> <p><b>Oct 2014</b> - OM were unable to discuss the accounts</p> <p><b>01 Dec 2014</b> - OM provided a mathematical explanation with supporting text for a particular property for Fernwood to review.</p> <p><b>05 Dec 2014 by email</b> - Following review, Fernwood provided a draft generic document and requested confirmation from OM that the information</p>	<p><b>OM to acknowledge/approve the draft explanation</b></p>

		contained in the document was correct.	<b>OUTSTANDING - OM</b>
<b>Q5</b>	<b>Budget Process</b> Residents are concerned that they have no involvement in the budget process or involvement when there are extraordinary expenditures outside of the published budget. Will OM involve the Residents Association in the formulation of the annual budget and also consult the FRA over one off additional items of expenditure over an agreed amount?	<p><b>July 2014</b> - It was agreed that OM representatives would make a presentation every year of the final audited accounts, one month following issue of the paper copy to the residents and to discuss the coming year expenditure.</p> <p>It was also agreed that OM representatives will attend the 4 monthly Residents association meetings in order to report variances to the budget and any proposed significant expenditure. The Residents Association representative agreed to include an OM item within the Meeting Agendas.</p> <p><b>February 2015</b> - OM held the first 'end of year' account presentation for 2013/14. OM did not let residents know about the meeting and relied upon posters and word of mouth and therefore the meeting was not well attended. OM were unable to answer all questions but later forwarded answers to questions raised. <i>Please see separate document.</i></p> <p>Coming year expenditure was not discussed.</p>	<p>Budget presentations and meeting attendance by OM.</p> <p>Ongoing action by <b>OM &amp; FRA</b></p>
<b>Q6</b>	<b>OM Response times</b> Residents have serious concerns over the length of time that they have to wait for a reply to correspondence and emails especially when this involves time critical ones regarding house purchase and re-mortgaging. Would OM agree to a service level for correspondence?	<p><b>July 2014</b> - OM representatives apologised for delays in communications and were requested to respond within 5 working days. Should a detailed response not be available within that time, the resident should be informed and a date agreed by which the information would be provided. OM agreed to this.</p> <p><b>Oct 2014</b> - OM have changed their agreement made in July at the meeting held with Robert Jenrick.</p> <p>OM have stated that the 5 working day rule is for communication between the Residents Association or the Maintenance Strategy Group and not individual residents. General communication between residents and OM will be at 'industry standard' of 10 working days because everything needs to go through their customer service department before being disseminated to the correct department.</p> <p>For solicitor led enquires/emails OM have provided a dedicated email address and phone number: solenquiry@ompropertymanagement.co.uk 01582 798170</p> <p>Fernwood stated that this is not satisfactory and requested a 5 day response to all email communications. OM agreed to investigate and respond to that request.</p> <p><b>OM statement via email</b> - A 10 working day turnaround on general correspondence is the company standard and while we will try to meet your 5 day response to emails from the strategy group and the residents association, we cannot commit to this timeframe for correspondence from residents regarding general enquiries. As mentioned in the meeting, emails to the customer service inbox do not always reach me (if needed) within the 5 day turnaround, therefore we cannot commit to this. Additionally, in response to Sues request for my direct email to be issued to all residents, I can confirm this will not be accepted or implemented...sorry.</p> <p><b>Feb 2015</b> - OM have not kept to their agreement of response times.</p>	<p><b>FMSG-monitor response times</b> Ongoing action</p>

Q7	<p><b>Involvement of the Land Registry with the maintenance company for freehold dwellings</b></p> <p>OM are a maintenance contractor who has won the tender to manage the maintenance of the public open spaces at Fernwood, why is it necessary to involve the Land Registry re this maintenance for freehold dwellings?</p>	<p><b>Sept 2014</b> - OM confirmed that they are the legally bound land management company, a copy of Sue Taylor's land registry was produced showing the restrictions posed upon her property because of OM's legal status with Fernwood. As to why? this was referred back to David Wilson Homes (DWH) as OM were not involved in drawing up the legal transfer documents. OM informed the meeting that residents should be consulted when purchasing their property by their solicitor as to what is in the property deeds.</p>	<p><b>Fernwood</b> to meet with DWH to discuss</p> <p><i>OUTSTANDING - FMSG/BDWH</i></p>
Q8	<p><b>Billing Information provided to Residents</b></p> <p>Please explain why you do not provide two separate sets of accounts; one for the maintenance of the public open spaces, the second for the management of the leasehold buildings?</p>	<p><b>Sept 2014</b> - It was explained that OM hold one bank account for Fernwood with one set of accounts. The bank account holds the maintenance charges, management charges and the reserve monies. It was queried as to why only 1 account. It was confirmed that the charges are all accounted for on paper separately. There are 4 schedules and public open space is included in schedule 1. The accounts are all in house and it would not be viable to change for one development. OM did confirm that they will take the information back to <i>see if the billing can show only the information required, for example schedule 1 only residents to get the information they require and not for the whole of Fernwood.</i></p> <p><b>Oct 2014</b> - OM were unable to discuss</p> <p><b>01 Dec 2014</b> - Please see Q.15 and the minutes of the meeting.</p>	<p><b>Amalgamated with Q15</b></p>
Q9	<p><b>Expenses relating to John Jeys work</b></p> <p>Why do Freehold dwellings require the need of a 'Concierge &amp; On costs'? What costs are attributed to this item of expenditure within Schedule 1 - the public open spaces?</p>	<p><b>Sept 2014</b> - Tim H advised that this was a poor choice of words. He said that the cost was for the site supervision. John Jeys costs are apportioned across the schedules i.e. governing the areas of work on the village. It was pointed out that residents were aware that he had been instructed to also take care of the apartment blocks – esp. their cleaning and which activity was entirely without his initial remit – this issue to be fully addressed during the next financial period commencing 1st April 2015 and when the staffing shortage would be remedied. For clarification John Jeys explained his responsibilities as far as Schedule 1 were concerned</p> <p><b>Oct 2014</b> - <i>OM explained that John's work on an annual basis is roughly divided as follows: Schedule 1 - 35%, Schedule2a - 25%, Schedule 2b - 15% and Schedule 4 - 25%.</i></p> <p>John rarely works within sch. 3 which is designated for 'Flats Over Garages'</p>	<p><b>Fernwood</b> to monitor</p> <p>Ongoing action</p>
Q10	<p><b>Linked Site Charges</b></p> <p>Please explain 'Linked Site Charges' within the schedule 1 accounts?</p>	<p><b>Sept 2014</b> - The 'linked site charges' show as a credit and they relate to the Woodlands Development within Fernwood, a block of 75 dwellings that are a separate scheme. They are between Blackberry Way, Youngs Avenue, Goldstraw Lane and Dale Way. The houses pay a proportion of fees to the Fernwood Development which shows as a credit. They have not been joined to the main scheme as this would require 75 leases to be altered. It was requested that the 'linked site charges' be renamed to Woodlands Development.</p> <p><b>Oct 2014</b> - OM confirmed that the billing would now state 'The Woodlands'</p>	<p><b>Completed</b></p>

		<p>rather than linked site charges. OM also confirmed there are no other 'linked sites' within Fernwood.</p> <p><b>Feb 2015</b> - End of year accounts 2013/14 now state 'Woodlands' for the linked site information.</p>	
<b>Q11</b>	<p><b>Management Fee Calculation Explanation</b></p> <p>OM have stated in letters/emails and documentation to residents that '<i>all properties that comprise the Fernwood development, pay an equal proportion of the Management Fee to OM Property Management</i>'. Why then does OM's accounts department multiply this fixed fee by the apportioned percentage for each dwelling to ascertain the Management fee part of the service charge levied.</p>	<p><b>Sept 2014</b> - The Management fee is worked out by using the same base for all regardless of a 1 bed or 5 bed property then it is proportion out by adjusting by how many bedrooms for example a 3 bedroom property will pay a lower percentage than a 5 bedroom property . Residents are not charged for properties that are not completed, for example if there are 969 houses but only 800 are completed the % is still divided by 100. The base rate in 2012/13 was £98.90 + vat x 969 = £115001, OM reduced this by £13k to make the new rate £87.72 + vat x 969 = £102001. This base figure is then multiplied by each dwelling's % to calculate the amount to charge. The final account shows the total amount received from each occupied dwelling. (property %, the schedules structure and the apportionment % are derived from the site layout and accommodation schedules provided by the developer and the percentages are also detailed in leases and transfers)</p>	<b>Completed</b>
<b>Q12</b>	<p><b>Why is the fixed management fee not detailed separately on the billing?</b></p> <p>Why is the fixed management fee not detailed separately from the total charged for the maintenance?</p>	<p><b>Sept 2014</b> - OM will have to check their software to see if this can be billed separately and to also include a covering letter with explanations</p> <p><b>Oct 2014</b> - OM are not prepared to upgrade the software for just this one site but <b>will look at making the personalised final bill clearer by stating the different categories of expenses &amp; how much the resident has paid.</b></p>	<b>Amalgamated with Q15</b>
<b>Q13</b>	<p><b>Management Fee Breakdown / Review</b></p> <p>Please justify the annual increase of fixed management fee when an increasing number of dwellings are paying the fee.</p>	<p><b>Sept 2014</b> - As well as the above it was asked why the management fee is higher than the maintenance fee? for example the bill is £113 for management and £78 for maintenance especially as more are now paying. Tim Hughes will send a breakdown of what the management fee pays for to Emma Thorpe following the meeting.</p> <p>A review into management charges will also be looked into with OM head office to see if it is possible to reduce.</p> <p>As well as the above it was asked if OM have approached Newark &amp; Sherwood District Council to see if they can contribute part of the Council Tax to the maintenance fees? OM informed the meeting that this is something they do not do</p> <p>It was also asked if the residents could be in charge of their own management and employ OM for maintenance? OM answered that it would cost too much legally to change.</p> <p><b>January 2015</b> – Discussed with B/DWH who responded that they were locked into their contract with OM.</p> <p><b>Oct 2014</b> - A breakdown of what expenses are covered by the management fee was received by the Parish Clerk.</p> <p>Fernwood were made aware that DWH does not pay any contribution towards the management fee or reserves within the developer's 'void' charge. <b>OM stated that the fee had not changed for the last 3 years (2012 - 2015), however Fernwood disagreed with this stating that in 2012/13 the total for a completed site was £102,001 making a base figure of £105.26</b></p>	<p><b>Fernwood</b> to meet with DWH to discuss further.</p> <p><b>OUTSTANDING - FMSG/BDWH</b></p> <p><b>OM</b> to confirm management fee charged in recent years.</p>

		per property before apportionment. However for 2013/14 and 2014/15 the completed site total each year is £111,317 which gives a base figure of £121.26. Further discussion could not take place due to OM not providing an accountant nor ascertaining the information prior to the meeting. See also Q2 & Q11	<b>OUTSTANDING - OM</b>
<b>Q14</b>	<b>Final Audited Accounts Examination</b> Using the final audited accounts, please provide your mathematical calculation used to create the service charge levied per dwelling for each year since 2004 to 2013, giving an example for each year (9 examples) using a 0.111% apportionment with a full year occupancy.	<p><b>Sept 2014</b> - OM did not prepare the examples as requested, however the accountant did provide workings for a dwelling paying 0.103% but only from 2008 - 2013.</p> <p>Fernwood supplied the accountant with the 2004/05 audited accounts and a discrepancy between the calculation of accounts, using the OM method, and the charge to residents was highlighted. As OM did not have an explanation for this or another anomaly re the gardening charge in 2012/13, the rest of each year's accounting questions were left for discussion at a future meeting.</p> <p><b>Oct 2014</b> - discussion could not take place due to OM not providing an accountant nor ascertaining the information prior to the meeting.</p> <p><b>01 Dec 2014</b> - Please read minutes for full explanation.</p> <p>OM advised that they were unable to review the accounts prior to 2007/08 as the records are not available. There is only a requirement to retain the information for 6 years. Fernwood expressed surprise at this as the accounts have been in dispute since at least 2008. OM said they would look to see if they still held any electronic records for the period.</p> <p>OM informed that a credit would apply for the 2012/13 gardening charge discrepancy highlighted.</p> <p>OM finally agreed to review any discrepancies between actual charges and annual statements for the period between 2004 and 2007 plus 2007/08 onwards and would advise if they would be willing to take action/refund residents based on the information they do have. OM agreed to review all discrepancies highlighted in this question.</p> <p>Estimated reserve contribution examination highlighted lack of transparency with the figures and causes confusion.</p> <p><b>Gardening costs for 2008/09 audited figure was different from that used by OM.</b></p> <p><b>31 Mar 2015</b> 2004 - 2007 overcharge. OM provided figures for gardening which had not relation to the figures quoted on the final accounts. They were unable to explain.</p> <p>2007/08 Bank Charge - Om could not explain why bank charges had been accounted for when there was a reserve fund held.</p>	<p><b>OM</b> to review and make clear <b>OUTSTANDING - OM</b></p> <p><b>OM</b> to review and explain <b>OUTSTANDING - OM</b></p> <p><b>OM</b> to explain <b>OUTSTANDING - OM</b></p> <p><b>OM</b> to review and explain <b>OUTSTANDING - OM</b></p>
<b>Q15</b>	<b>Understanding &amp; Reading the Final Accounts Billing</b> Covering letters for the final accounts state an overall net surplus or deficit but this figure covers all schedules. It is not clear to understand why extra charges have been levied to residents when the audited account for their schedule shows the estimated costs before management fees or reserves were more than the actual costs. Please explain clearly how	<p><b>Oct 2014</b> - OM were unable to discuss the accounts</p> <p><b>01 Dec 2014</b> - OM are simplifying and redesigning the bills issued to Fernwood residents because they agreed that the present format is difficult to read and they need to be more transparent. Fernwood stated that they would monitor and get back to OM when the new designed bills have been issued.</p> <p><b>31 Mar 2015</b> - The new bills for the final accounts 2013/14 were issued in</p>	<b>See also Q8 + Q12</b>

	a Fernwood resident should read the final accounts documentation.	January and although there was a little more background detail to the figures, the reading of the accounts and the final bill had not been improved. Fernwood stressed that the bill needed clarification and redesigning.	Fernwood/OM to discuss Ongoing action
<b>Q16</b>	<b>Final Accounts 2011/12</b> Note 8 states that included in the legal & professional fees is a cost of £3,070.00 for bad debts. Why has schedule 1 been charged this fee when OM have repeatedly stated that Fernwood residents should not be charged for these legal costs?  The remaining £83.99 charge relates to what legal costs?	<b>Oct 2014</b> - OM were unable to discuss the accounts <b>01 Dec 2014</b> - OM thought the additional charge related to Land Registry costs incurred. Discussion ensued about why Fernwood estate was paying for items that do not relate to land maintenance. Legal costs are itemised separately and do not come under management fees if they relate to the running of the estate / maintenance. This includes their legal costs for debt collection and requests for information from the land registry. OM said they would review these costs again and let Fernwood know exactly what they were for. <b>31 Mar 2015</b> - Following OM's review, 3 invoices were found to be incorrectly charged to schedule 1. The amount of £1,294 will be re-credited to the Fernwood Trust account for 2014/15 accounting year.	FERNWOOD to monitor Ongoing action
<b>Q17</b>	<b>Final Accounts 2012/13 (&amp; 2011/12)</b> The covering letter states that the Concierge & On costs were higher than budget and an adjustment has been made to the budget in ongoing years. In fact the overspend was more than 44% of the budgeted figure but the ongoing years budgets have only been increased by 11%. What expenses were incurred to increase this cost by over 44%?  Please provide the invoices for the Grounds Maintenance / Additional Tree Work / Playground Facilities / and Health & Safety Costs expenditure for this accounting year.	<b>Oct 2014</b> - OM were unable to discuss the accounts <b>01 Dec 2014</b> - OM were unable to clarify this large overspend and agreed to provide more information at the next meeting and agreed to provide a log detailing the activities of the Manager. <b>See also Q.32.</b> <b>31 Mar 2015</b> - The increase in charge reflects the change in working hours of JJ (Site Supervisor) to a full working week. His duties for schedule 1 include some repairs although some are contracted out. FMSG have been provided with an example of his work schedule.	OM to action <b>OUTSTANDING - OM</b>
<b>Q18</b>	<b>Legal Fees to Change Contracts charged to Residents</b> The shortfall in house building from 969 to 918 dwellings is due to the developer and not the residents, so why have the residents of Fernwood been penalised for this decision by an increase in their apportionment percentage <u>AND</u> for OM's legal costs to amend these percentages?  How much did David Wilson Homes contribute towards these costs?	<b>Sept 2014</b> - Tim H replied that he had made enquiries of their legal team but were waiting for a response to this question. Jim G. responded that the extra percentage, and especially the legal costs involved passed onto residents was unreasonable since the revisions of the house build programme were outside the control of residents. OM agreed to make every effort to provide responses to these questions by the FRA open meeting 9th Sep 2014. <b>Oct 2014</b> - OM advised that this charge is correct because our transfer documents provide for this expense to be charged to residents. Refer to: <b>7th Schedule Part C - 7 , 7.1, 15.3</b> <b>Sept 2014</b> - OM were unaware of a contribution and would make enquiries. <b>Oct 2014</b> - OM confirmed that DWH did not contribute to this expense <b>Sept 2014</b> - In response to a question, OM also agreed to request that the details of their contract with DWH be made available. Also refer to Q2	FERNWOOD - review clauses <b>OUTSTANDING - FMSG</b>
<b>Q19</b>	<b>£1 rent charged to some freehold residents</b> Some residents are charged a £1 rent. What are they renting?	<b>Sept 2014</b> - Tim H responded that he believed that the £1 annual charge was a ground rent. The Strategy Group provided a letter from E&M management that stated that this sum was not a ground rent. Tim H agreed to make further enquiries in their company.	

		<p><b>Oct 2014</b> - OM were unable to find information out about this and wanted to know exactly what was stated in the letter to a resident if it was not Ground Rent. Fernwood provided the information that the letter stated it was a rent charge.</p> <p><b>01 Dec 2014</b> - As this bill comes from E&amp;M management which is not part of OM, the residents concerned will have to speak directly to E&amp;M if they have an issue.</p>	<p><b>FERNWOOD</b> to discuss <i>OUTSTANDING - FMSG</i></p>
<b>Q20</b>	<p><b>Increase in the Extra Charges</b> The 'extra charges' levied by OM for property transfer, notices &amp; certificates etc. have increased by 3% in the past year. Please justify this increase.</p>	<p><b>Sept 2014</b> - Tim H. responded that the 3% increase in charges was for inflation. Steering Group members pointed out that inflation was and had been less than 3% for several years. OM agreed to make enquiries within their company and provide an answer.</p> <p><b>FRA Meeting</b>, one inflation rate was 2.6% and another 3.6% and so 3% was chosen as an average</p> <p><b>Oct 2014</b> - OM stand by their increase of a 3% annual rise, quoting the Retail Price Index average</p> <p><i>January 2015</i> - the 3% increase is an average of inflation rates (2.6 &amp; 3.6%) and, as detailed above, these costs cannot be eliminated.</p>	<p><b>Amalgamated with Q3</b></p>
<b>Q21</b>	<p><b>Confirmation of conformity of contract within Fernwood</b> Please confirm that every dwelling has the same contract with OM, excepting the schedules they are required to pay and their apportionment percentage figure.</p>	<p><b>Sept 2014</b> - Tim H responded that every dwelling except those in phase 1 and The Woodlands had the same contract. Doubts were expressed by the Steering Group and Tim H agreed to report back to the next Joint meeting of the Group.</p> <p><b>Oct 2014</b> - OM reiterated that all contracts were the same for each dwelling excepting Phase 1, the original houses in Dale Crescent and Spring Close who do not pay and the linked site having a different contract. OM further confirmed that the Housing Association properties also paid Schedule 1 rates that were calculated on the same basis as other properties in the Village.</p>	<p><b>Fernwood</b> to meet with DWH to discuss why a freehold property has the same contract as a leasehold property <i>OUTSTANDING - FMSG/BDWH</i></p>
<b>Q22</b>	<p><b>Careline Monitoring</b> Why do Freehold dwellings require the need for OM's 'Careline monitoring'?</p>	<p><b>Sept 2014</b> - Tim H explained that all residents could use the Care Line Monitoring System to report matters of urgent concern, such as dangerous trees. He agreed to provide the actual cost of this service to each property within Schedule 1 of the accounts.</p> <p><b>FRA Meeting</b> - £3 per dwelling</p> <p><b>Oct 2014</b> - The need for this facility for Freehold dwellings was discussed. It was felt that this might be relevant to apartment dwellings but not Freehold. Fernwood requested that this charge is eliminated. It was then found that this element was included in the list of items that formed the tasks within the Management Fee and therefore Fernwood queried if they had been charged twice for the same facility that is not required.</p> <p><b>OM statement via email</b> - Careline Monitoring was requested to be removed as an additional charge, as (quite rightly) this service is provided within the Management Fee – details of which were previously provided.</p> <p><b>31 Mar 2015</b> - The cost for this service is £1.02 per freeholder per year with</p>	

		a higher charge to leaseholders. Although OM have provided an email which includes this service as part of the Management Fee, OM have made an error and this service is not included. Fernwood have challenged this and OM will respond.	<b>OUTSTANDING - OM</b>
<b>Q23</b>	<b>Inventory</b> Please provide a comprehensive list of Inventory items held for Fernwood.	<p><b>Sept 2014</b> - Provided</p> <p><b>Oct 2014</b> - Fernwood requested whether the mower equipment owned by Fernwood could be made available for use by the Parish Council on land managed by them. OM thought there might be a insurance issue but the FPC stated they have their own insurance.</p> <p><b>OM statement via email</b> - The Parish Council asked if they could use the mower to cut grass in various areas of the development, as inventory items held on site are the ownership of Fernwood residents. While ownership is not in question, residents cannot 'borrow' a mower, as none are listed on the inventory items.</p> <p><i>January 2015</i> – Mowers are not listed within the inventory, and although the issue of one being purchased in 2009 was asked, we can confirm, Fernwood have not and do not own a ride on mower which could be used by the Residents Association or Parish Council members.</p>	<p><b>Fernwood</b> to discuss if there is a requirement to use other equipment</p> <p><b>OUTSTANDING - FMSG</b></p>
<b>Q24</b>	<b>Car Park &amp; Courtyard Costs</b> Why are the car parking and courtyard costs so excessive (based on an example quoted for Goldstraw Lane)?	<p><b>FRA Meeting</b> - OM were unsure and no immediate figures were available to address the question.</p> <p><b>Oct 2014</b> - OM stated that this item was still under investigation</p>	<p><b>OM</b> to answer</p> <p><b>OUTSTANDING - OM</b></p>
<b>Q25</b>	<b>OM Communication delays with solicitors and double charging on house sales</b> Why does it take so long for OM to provide the information to solicitors to 'certify' the sale? Queries were raised about the delays in completing the transfers or re-mortgaging and also the high level of fees charged by OM that caused unnecessary stress amongst residents. Effectively a double charge since, upon the sale of a property, both buyer and seller would be charged for effectively the same transaction.	<p><b>FRA Meeting</b> - Tim H agreed to query these matters with his Head Office</p> <p><b>Oct 2014</b> - OM advised of a dedicated email and telephone number for solicitors where an 8 working day response and 6 week turn-around is in place</p> <p style="text-align: center;">solenquiry@ompropertymanagemnt.co.uk                      01582 798170</p> <p>Fernwood asked that this information be made readily available to residents and a notice displayed in the DWH sales office which was agreed by OM</p> <p><b>OM statement via email</b> - The on-site Sales Office is to be provided with the details for the Transfer department for OM so sales staff and prospective owners can contact OM for queries prior to employing conveyance solicitors. It should be noted, while there is no issue with prospective owners contacting OM, conversations will not negate the requirement of 'sellers / buyers' packs.</p> <p><i>January 2015</i> - The notice has been drawn up and is to be issued to the</p>	<p><b>Fernwood</b> to monitor</p> <p><b>Note:</b> Refer to Q3 re the double charge</p> <p><b>Fernwood</b> to monitor Ongoing action</p>

		Sales Office when I next attend the development, as further discussion with Sales Representatives are to be conducted at that time.	
<b>Q26</b>	<b>1st Charge over Freehold Properties</b> Why do OM have a 1st charge over the Freehold properties?	<b>Not yet discussed</b>	
<b>Q27</b>	<b>Re-Mortgaging</b> Why does it take weeks for OM to answer emails in the case of a re-mortgage? If you have a dedicated section, is there not a dedicated email/phone contact?	<b>Oct 2014</b> - It is not always OM who cause delays. Solicitors are also lacking in speed but expect a 2 day response to all their questions.  Refer to Q25 for the dedicated email address and phone number	<b>Completed</b> <i>Also refer to Q3, Q6 and Q25</i>
<b>Q28</b>	<b>Land Registry Documentation</b> Why do OM insist on specific text being applied to the Land Registry document? If it is so important to OM, can't this text be supplied immediately on notification of a re-mortgage?	<b>Oct 2014</b> - The text is a requirement of the Land Registry and not of OM. Any conveyor should already be aware of this.	<b>Completed</b>
<b>Q29</b>	<b>Fraud at OM and why weren't all residents advised about this?</b> In 2012 a number of residents were caught up in fraudulent activities at OM where their cheques which were sent in payment of the service charges levied, addressed correctly to OM, but intercepted and the cheques stolen and put into a bank account opened under the name: OM Property Management Ltd and subsequently withdrawn. Why wasn't/hasn't this fraud been advised to all paying residents of Fernwood giving warning advice? What checks/security has been put in place to prevent this happening again/continuing?	<b>Oct 2014</b> - <b>Tim H will look into this further.</b> Fernwood stated that at least one resident is still to receive a repayment of the monies paid but cashed fraudulently. Fernwood requested that some sort of care notice/advice be placed on the billing slips  <b>Not yet discussed</b>	<b>OM</b> to investigate <b>OUTSTANDING - OM</b>   <b>OUTSTANDING - OM</b>
<b>Q30</b>	<b>Developer's Void Charge - Schedule 1</b> How is this charge calculated? What is understood by the term 'unconstructed'? Why was there no void charge for schedule 1 in 2004/05?	<b>Not yet discussed</b>	<b>OUTSTANDING - OM</b>
<b>Q31</b>	<b>Reserves - Schedule 1</b> How is this expense calculated?  How do you decide what the reserves should be?  Why has the estimated reserves contribution suddenly dropped from £7,000 per year to £2,325 for the years 2013/14 & 2014/15? Why were the reserves monies not used in 2010/11 to pay	<b>Sept 2014</b> - OM stated that the same calculation is used as for the management fee because this charge does not incur a developer void payment and therefore to ensure a correct levy, the estimated reserve figure is used in the calculation and the final accounts show how much has been collected from the occupied dwellings.  <b>Sept 2014</b> - It is an estimate by the surveyors of the life cycle of maintenance. Included in this will be replacement roofs, tree maintenance, tennis courts resurfacing etc.  <b>Sept 2014</b> - Maybe because we collected too much in the first place.  <b>Sept 2014</b> - This was not answered but it was brought to the attention that	<b>OM</b> to answer this question

<p>for the 'extra tree works' when the money was set aside for this expense? Do we have a separate bank account for the reserves monies?</p> <p>Equipment has been purchased from the Reserve Fund and the residents were not consulted or told what was happening. It states in the OM booklet that if major expenditure arises residents will be notified and consulted? Why do residents pay for the equipment that OM require, as the service provider should they not provide it?</p>	<p>the reserves are held in the main account and not in a separate account of their own. The transfer document states that the reserve fund should be kept in a separate account - OM answered that the law has maybe changed and that they have never had a separate reserve fund and are not aware they have to have one legally - OM will confirm this.</p> <p><b>Sept 2014</b> - OM dealt with the Fernwood Residents Association who felt they needed additional support to maintain the village and do their job.</p> <p><b>Sept 2014</b> - The equipment is just for the Fernwood site and is only used on Fernwood. The equipment purchased belongs to Fernwood. OM provided an Inventory of items purchased by Fernwood. It was agreed that <b>in future additional formal consultation is required before any other major expenses are incurred.</b></p>	<p><b>OUTSTANDING - OM</b></p> <p><b>OM</b> to confirm Reserve Fund account status <b>OUTSTANDING - OM</b></p> <p><b>Fernwood</b> to monitor Ongoing action</p>
<p><b>Q32 Expenses - Schedule 1</b> 2011/12 - Gardening costs are exactly the same as the budgeted figure. Why?</p> <p>2011/12 - Covering letter states small overspends. The overspends in the playground &amp; general repairs were double/more than 50% extra than estimated, respectively. This overspend is not small. What happen to incur these overspends?</p> <p>2012/13 - Why have we been charged £500 insurance excess?</p> <p>2012/13 - Have the empty property costs been paid?</p>	<p><b>Oct 2014</b> - OM were unable to discuss the accounts <b>01 Dec 2014</b> - OM were unable to provide any information re the gardening costs but will examine and provide a copy of the DWH invoice. <b>31 Mar 2015</b> - The budget was prepared after DWH had arranged the gardening contract so the full figure was already knowm.</p> <p>The playground expense was for a replacement swing, repairing the round-about and jet washing the tennis courts which is not an annual occurrence. Fernwood thought £1,320 was on the high side. The general repairs expense was mainly for fencing, probably to divide the parkland from the Rubys Avenue road.</p> <p><b>OM agreed that they would write to residents informing them that they can request an itemised breakdown of maintenance costs if required.</b> OM said that because they charge a fixed management fee, they have no reason to increase costs unnecessarily or for profit-making purposes. Fernwood argued that on the basis they have a fixed contract with DWH, residents are concerned that there is no incentive for OM to keep costs down. OM could not confirm what their SLA's are or how their performance is measured.</p> <p>OM advised that the excess was for an insurance claim because the jet washer was stolen from the Bat House and damage was done to the Bat House doors. Fernwood asked why then has schedule 1 been charged with an expense of £1,260 to repair the Bat House doors, as stated on the audited accounts, if an insurance claim was made. Surely the repairs were under insurance? <b>31 Mar 2015</b> - The <b>credit of £1050</b> by the insurance company for this repair was credited to 'General Repairs' but not mentioned in the final accounts notes.</p> <p>OM advised that Bovis Homes have paid but they were <b>unsure whether B/DWH has yet paid their void charge for 2012/13. They will check and</b></p>	<p><b>OM</b> to provide information <b>OUTSTANDING - OM</b></p> <p><b>Fernwood</b> to investigate <b>OUTSTANDING - FMSG</b></p> <p><b>Fernwood</b> to monitor Ongoing action</p> <p><b>Fernwood</b> to check analysis Ongoing action</p> <p><b>OM</b> to investigate and report back</p>

		<p>inform Fernwood.</p> <p>OM's property manager confirmed that he makes the decision on any new community facilities and does not consult residents in this process.</p> <p>OM were unable to confirm if costs associated in Careline activities are charged as part of management fee or as a separate item. They agreed to review this and provide more information at the next meeting. Refer also to Q.22</p> <p>OM gave Fernwood a copy of the <i>Analysis of Service Charge Expenditure</i> sheet for 2011/12 as they thought it may answer a lot of questions.</p> <p><b>05 Dec 2014 by Email</b> - Fernwood requested copies of the <i>Analysis of Service Charge Expenditure</i> sheet for other years.</p>	<p><b>OUTSTANDING - OM</b></p> <p><b>Refer Q31</b> re major expenses <b>OUTSTANDING - FMSG</b></p> <p><b>OM</b> to investigate and report back <b>OUTSTANDING - OM</b></p> <p><b>Fernwood</b> to investigate <b>OUTSTANDING - FMSG</b></p> <p><b>OM</b> to provide the information <b>OUTSTANDING - OM</b></p>
<b>Q33</b>	<p><b>Maintenance of the area known as the meadow</b> Will there be a cost to residents for the maintenance of the meadow. If so, how much?</p>	<p><b>Oct 2014</b> - The farmer has stopped cutting the area for hay due to the amount of 'dog' mess. DWH have had quotes for clearing the mess and cutting the grass for £7,000 and just for cutting the grass £700. It is expected that OM will maintain this area in future. Fernwood asked if it would be possible for the land to be handed over to the Parish Council. OM were unable to comment but stated that they have a contract to maintain the land within the Fernwood boundary.</p>	<p><b>Fernwood</b> to meet with B/DWH to discuss transfer of this area to the Parish Council <b>OUTSTANDING - FMSG/BDWH</b></p>
<b>Q34</b>	<p><b>Placing a hold on Accounts and notifying Residents</b> The next half year bills are due for payment on 1st Dec 14 and OM have been unable to discuss with Fernwood the accounting discrepancies highlighted at the 4th Sep meeting. Please place a hold on all accounts for dwellings built 1st June 2003 to 31st May 2013 and issue a letter to those properties informing that the account is on hold whilst OM look into historic accounting issues.</p>	<p><b>Oct 2014</b> - OM took note of the request and stated that it would be passed on to the Regional Director Jonathan Astle. A response would be given within 7 days. <b>01 Dec 2014</b> - No response from OM and Fernwood received next half year bills. Fernwood expressed disappointment at the lack of commitment from OM to adhere to agreed communication timescales. OM apologised. Please read the minutes for full information regarding this issue.</p>	<p><b>OUTSTANDING - OM</b></p>
<b>Q35</b>	<p><b>Car Parking Areas</b> If a residents owns a freehold house and a freehold garage why do they have to pay car park maintenance fees - schedule 2? Why do residents paying schedule 2 have to pay a share of the maintenance of all the car parking areas when some have landscaping and/or electricity and others don't?</p>	<p><b>31 Mar 2015</b> - OM explained that if the resident had to drive over a parking area to get to his drive/garage, this area had to be maintained and his legal transfer document required him to pay this fee. <b>31 Mar 2015</b> - That is the way the contracts have been set up.</p>	<p><b>Fernwood</b> to meet with B/DWH to discuss <b>OUTSTANDING - FMSG/BDWH</b></p>
<b>Q36</b>	<p><b>Examination of the Final Accounts 2013/14</b> Section 20B Notices - Why were these not issued</p>	<p><b>31 Mar 2015</b> Under the Landlord &amp; Tenant Act these are only required if there would be a deficit in the accounts and even though a refund of the Gardening overcharge to some residents was made, the overall account was in surplus and therefore notices were not legally required.</p>	<p>Provide cash book information</p>

<p>Petty Cash - What is this for? Uniform - Please explain Printing - Why these costs when the office has a printer? Telephone charges - why do schedule 1 pay for all the fees?</p> <p>Benefit re-charge - Please explain Insurance additional charge of £7.42 - please explain Green Skip - why are schedule 1 paying the full charge? Light Bulbs £914.59 - Please explain Replace under-croft ceiling - Please explain Vehicle - charged to schedule 1 under general maintenance</p> <p>Benches - Who authorised the purchase of 9 benches?</p> <p>Painting seats and planters - why was this contracted out and not a task for JJ?</p> <p>Supply and fit green waste bin - Please explain as there is already a charge for a green skip. Swipe access control for the tennis courts - please explain</p> <p>Repair broken fence - Please explain</p> <p>Bank Charges - Why when a balance held in reserve Linked site - why are they excluded from some charges</p> <p>Legal &amp; Professional Fees - why have we been charged land registry fees?</p>	<p>Fuel, machinery, materials, tea &amp; coffee. Provision for a jacket or safety boots for the site supervisor. Unable to explain As everyone pay schedule 1 the charges are assigned to schedule 1. The costs are for arranging contractors and contacting the office. Something to do with the salary of the site supervisor. This is terrorism insurance for the public open spaces. As everyone pay schedule 1 the charges are assigned to schedule 1. Unable to advice, will look into This should not have been charged to schedule 1. The vehicle is used by the site supervisor to carry out his work around the estate and is parked outside the office at night. Even though contractors do most of the work, he needs the vehicle to fetch fuel. OM to ask JJ to fully explain how the vehicle is used. FRA approved but the actual number, costs and the locations will be investigated. He was busy with other things.</p> <p>Unable to explain</p> <p>This was installed to prevent the general public for using it. Access fobs are free to paying residents. Phase 1 must pay £10 per fob. Some boundary fences are the responsibility of schedule 1</p> <p>Unable to explain The linked site is a separate scheme and has a separate bank account. They pay 7% of the schedule 1 costs less management fee, bank charges and audit fees as these are directly attributed to their bank account.</p> <p>Unable to answer</p>	<p><b>OUTSTANDING - OM</b></p> <p><b>OM to investigate</b> <b>OUTSTANDING - OM</b></p> <p><b>OM to investigate</b> <b>OUTSTANDING - OM</b> <b>OUTSTANDING - OM</b></p> <p><b>OM to investigate</b> <b>OUTSTANDING - OM</b></p>