

THE PRYORS LTD

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REPORT OF THE BOARD: ANNUAL GENERAL MEETING 2024

Introduction

1. Compared to recent years and the Major Works undertaken at The Pryors, 2023/4 has been a relatively quiet year. Rather than overseeing the execution of a significant project, considerable effort has instead been spent on planning and preparing for the final phase in the cycle of Major Works; the Hard Landscaping Project ('HLP'). The HLP comprises multiple elements, including addressing the condition of our carpark, security, external lighting and other matters in need of attention concerning the perimeter of The Pryors. It has already proved a complicated process on a number of levels. The Board is extremely grateful to those engaged in the process and looks forward to the development of the HLP plans and feedback from the membership as part of the HLP consultation process.
2. As ever, this year we have continued to be supported by a team of professionals, including our managing agent (D&G Block Management), surveyor (Andy Cossey of CB Swift), contractors (Woodgrove) as well as our gardener (José), auditors and solicitors. Specific projects have also required assistance from other professionals, for example a planning agent was engaged to assist in successfully obtaining a 'certificate of lawfulness' from Camden Council to regularise the current carpark layout, which for many, many years lacked the necessary consent from Camden. This was an essential first step in the HLP process. A good number of residents were involved in providing the evidence necessary to obtain retrospective validation from the council. The Board thanks those residents for the time and effort taken to provide this evidence.
3. Special thanks go to our caretakers, Lee Mullan and Nuno Neves, and to Georgia Solaja from D&G, who together oversee the day-to-day running of The Pryors.
4. Aside from the team of external professionals, The Pryors depends on residents volunteering for the various roles which exist. In particular, the Garden Group has again kept the communal gardens in excellent condition this year. The New Lease Group has continued to advance the considerable task of rolling out new 999-year leases. This process is now virtually complete. The Conservation Group is active considering any communal refurbishment and redecoration issues with particular attention being paid to our conservation policy. The newly formed Minor Maintenance Group has involved members working closely with the caretakers and managing agent to keep a close eye on the condition of our buildings. The work of all the volunteers at The Pryors is essential and greatly appreciated by the Board. Going forward, the Board welcomes further engagement and involvement from the membership. If you are interested in a particular area of life at The Pryors or have special knowledge or skills which you think would benefit the running of The Pryors and would like to get involved, please do volunteer by speaking either to Georgia at D&G, or direct to a Board member.

Governance and management

5. For those new to, or unfamiliar with, the way the Board of The Pryors Ltd (the freeholder) is elected and functions, the below information provides some basic background.
6. The Board of Directors is elected from and by the lessees. The election and functioning of the Board is primarily governed by The Pryors Memorandum and Articles of Association. A copy of this document is available on the recently re-vamped Pryors website: <https://www.the-pryors.co.uk/> The Articles are now rather old and, in due course, there is a case for refreshing them. This is an important project the Board will likely turn to over the next couple of years.
7. Three directors are elected from Block A and three from B, each elected by the lessees of the block in which they live. Who can be a director is set out in the Articles. Essentially, a lessee, their spouse or an adult living with a lessee is entitled to seek election. If a flat is owned by an alternative legal entity such as a trust, the trust is able to identify an individual to act on its behalf, including standing as a director.
8. The sole role of directors at The Pryors, and their principle legal obligation, is to exercise the powers of the company for the purpose of achieving the company's objectives, as set out in the Memorandum of Association, for the benefit of the company's shareholders (the membership as a whole). Directors have no additional, wide ranging role or authority. It is not part of their ordinary role to manage the day-to-day running of The Pryors. That is a matter for the caretakers and managing agent. Inevitably, at times, directors do assume responsibilities consistent with their legal obligations to ensure significant issues which arise at The Pryors are handled appropriately: the recent management of the Block A gas works is an obvious example. One of the Block A directors stepped in with no notice to assume very significant responsibility for ensuring that the repairs were conducted as quickly as possible for the benefit of the residents.
9. Being a director is an entirely voluntary role. Members of the Board receive no remuneration, no benefits and advantages to serving on the Board. It is hoped that as a community we all recognise that membership of the Board is demanding. Board members spend many hours of their own time each week ensuring that The Pryors functions smoothly, on budget, and for the benefit of the majority of the community. The work involves getting to grips with complicated issues of varied subject matter, often in urgent situations.

Functioning of the Board

10. The Board meets formally at regular (three month) intervals. Meetings are ordinarily in person and all Board members are expected to attend. Georgia Solaja (D&G Block Management) also attends.
11. At each Board meeting the directors are required to declare any conflicts of interest and then remove themselves from relevant discussions and decision-making (at the meeting and thereafter). That process has been adhered to consistently by the Board and is an important part of ensuring that the Board operates independently from any interests of its members. A report of each formal Board meeting is then circulated to the lessees.
12. Aside from formal meetings, the Board is in frequent (often daily) communication (as between its members and with the managing agent) when issues arise which require consideration and/or a

decision to be made outside of regular meetings. As part of that process, and according to the issue at hand, advice and guidance are frequently taken from the Board's professional advisors.

13. Inevitably, the Board sometimes makes decisions which may not be the outcome for which any individual wished. Even where unwelcome, the Board's decisions are made in good faith and after careful consideration. It approaches all decisions impartially, always having to weigh individual and community considerations along with advice from relevant professionals.
14. One of the issues the Board has recently been asked to consider is how, and in relation to what, it seeks feedback from the membership. At the time of preparing this report the question of how feedback is obtained is under active consideration by the Board. In the interim, it is important to make clear that the Board welcomes feedback and engagement from everyone in our community across all issues of interest or concern, whether or not there is some formal process of seeking and offering feedback underway. If residents have questions, concerns, suggestions, constructive criticism (or praise!), the Board openly invites this.

Board membership

15. Current members of the Board are: Jennifer Blumhof (Block A), Ivan Clark (Block A), Aaron Watkins (Block A), Pauline Almeida (Block B), Julian Cole (Block B), and Noshewan Vakil (Block B). The Board previously elected Aaron Watkins to the position of Chair. Ivan Clark is the Treasurer.
16. At the forthcoming autumn 2024 AGM, Ivan Clark is due to step down by rotation, but we are pleased that he is willing to stand for re-election. No other member from Block A has sought election. We are sorry to see Noshewan Vakil from Block B stepping down and not seeking re-election, but we are extremely grateful to him for his contribution to date and understand his professional commitments currently prevent him from continuing on the Board. To fill the vacancy which arises, Matthew Getz from Block B seeks election to become a director¹. No other Block B members have sought election.

Communication and consultation

17. Day-to-day communication among residents is facilitated by The Pryors WhatsApp group.
18. Communication with the Board should primarily be through D&G Block Management. D&G will then engage the Board as necessary.
19. In relation to consultation with the membership, as noted above, the Board welcomes input from residents. The Board recognises that lessees and residents possess considerable, valuable knowledge in a range of areas which it wants to tap into. This naturally occurs informally and on an ongoing basis. More formal consultation exercises have been conducted in respect of significant projects, such as the New Lease Project. The HLP is the next 'formal' consultation exercise on the horizon, however, early feedback will inevitably be useful to the Board: for example, at the forthcoming AGM we hope the membership will assist the Board's consideration of the difficult

¹ Matthew Getz sought nomination after the published deadline for nominations. Having demonstrated that all necessary conditions to stand as a director were satisfied, the Board unanimously concluded that it was in the interests of The Pryors for time to be extended to allow Mathew to be nominated for election at the forthcoming AGM.

electric vehicle ('EV') charging component of the HLP (for which a separate paper has been prepared and supplied with this report).

Financial statements and Finances

20. Information about The Pryors' finances was circulated by the managing agent on 19 August 2024. The Pryors has not been immune from the effect of the unusually high level of inflation. In the year ended December 2023, a service charge deficit of a little over £15,000 arose which was mostly attributable to inflated electricity prices and necessary expenditure to meet new health and safety regulations.
21. This deserves to be viewed in the positive context of The Pryors managing to hold the service charge budget steady at £300,000 for 2023, unchanged from the budgets for 2022 and 2021. Given the prevailing economic circumstances, a deficit of approximately £15,000 demonstrates effective budgetary control.
22. Predictably, however, a budget increase would be required at some stage. This year the budget for 2024 has increased to £355,850 and will likely reflect the impact of inflation going forward.
23. So far as the costs of Major Works are concerned, the last significant project (the Internal Refurbishment Project) has now concluded (save for any minor remaining snagging fixes required). Overall financial control of this project was assisted by our ability to fix costs for many aspects before the effects of inflation became particularly severe. We also benefited from funds raised on the sale of Flat 6.
24. As ever with such projects, particularly in older buildings, unexpected and unbudgeted discoveries emerge as works are carried out and this proved to be the case. Members were informed in a timely manner about these unexpected extra costs. As explained by The Pryors' treasurer, these additional costs were financed by past surpluses and cash on hand. The Pryors now intends to replenish its cash resources to enable it to meet the costs of its day-to-day activities without calling on unwelcome interim demands. This accounts for the greater part of the supplemental demands issued with the September 2024 service charge invoices to lessees.
25. Overall, whilst the effect of inflation has eased slightly, certain costs remain particularly high (electricity being perhaps the most notable). In this context, the Board considers The Pryors' financial position to be secure and well managed. We continue to seek efficiencies wherever appropriate.

Insurance

Unoccupied property

26. We have previously been requested by our insurance broker to issue the following warning in relation to unoccupied property. As stated in the last couple of years, this requirement remains in place until further notice:

Inspection of empty property is a requirement of the current buildings insurance policy:

The insurance states that any property (flat) that is left unattended for a period of greater than 45 successive days must be inspected on the owner's behalf at least once per week, and the time/date of the visits be recorded. As evidence of inspection, log of inspection dates must be sent to the Managing Agent by email on a monthly basis, to be provided latest by 10th of the following month. It is a condition of the cover that mains services, including the water supply are disconnected. However, where the flat is protected by an Intruder Alarm, CCTV or Fire Detection System or sprinkler installation, you must provide sufficient power, heat or water supplies for their effective operation.

In the event that loss or damage is discovered, you should immediately inform the managing agent in writing, providing as much information as possible about the damage.

The managing agent will, if appropriate, provide information about any potential claim to Ramon, our insurance broker, who will instigate the claims reporting process as appropriate.

If you fail to comply with the terms of the insurance and a claim is refused due to non-compliance, you will have to personally bear the costs of repair to your flat and potentially to other flats affected. The Pryors Limited reserves the right to take action against the property owner in order to recover loss.

Stopcocks

27. The managing agent has previously sent out a request for all residents to respond providing the location of stopcocks (adding appropriate signage – a sticker in this case) in their properties and to ensure that they are working. This initiative is designed to mitigate damage and claims from water ingress and, ultimately, reduce The Pryors insurance premiums. If you are yet to respond, please do so. If you need to be reminded of the exact information required, please speak to D&G Block Management.

Fire, health and safety

28. With the assistance of our managing agent, we continue to get to grips with the onerous new fire and building safety regulations which have come into effect. As we observed last year, it remains the case that the practical requirements triggered by the new legal framework have not always been clear or consistent (even to the professionals involved in the field). Generally, D&G continue to assess and advise The Pryors on what steps and systems are required and to implement as necessary, with assistance from external professionals and assessors to ensure we achieve full compliance promptly (and within any required periods).
29. As residents will be aware, there was previously an exercise to upgrade individual flat front doors to achieve necessary safety standards. We regret that more work may be needed on this particular task during autumn 2024/early 2025. Our managing agent and surveyor are taking this issue forward and seeking to ascertain how the works previously carried out have so quickly required further improvement. Members will be informed about this in due course.
30. Separately, members will recall that the fire alarm systems in both blocks were replaced as part of recent Major Works. This involved the commissioning of new detectors within individual flat hallways. It was our original intention that the fire alarms should be linked to an external alarm

monitoring company which, on the alarm triggering, would make contact with a number of trained volunteer individuals at The Pryors and, if necessary, call the fire brigade to attend. Unfortunately, after a few false alarms and investigations to ascertain the root cause and a solution, the decision was made, and communicated to the membership, to the effect that the connectivity of the alarm in Block A to the monitoring company was too unreliable, resulting in the alarm signal cutting out and triggering faulty notifications to the monitoring company. The decision was therefore finally made that both Block A and B alarms would not have an automatic connection to an external monitor. Instead, both alarms sound locally for residents to hear and react to, but do not trigger any external response. That will remain the position until further notice.

31. More recently, following a number of false alarms, The Pryors sought and received confirmation from the alarm provider that the systems installed are functioning properly and are appropriate alarms for our buildings. We are aware that there have been some 'dust' triggered alarms in recent months. Overly sensitive individual sensors or malfunctioning receptors will be kept under review as part of ordinary alarm maintenance.
32. Finally, the Board takes this opportunity to reiterate the need for all residents to familiarise themselves with the fire alarm evacuation policy in place. If there is any doubt about what that it is, please speak to the managing agent. The Board also reiterates that when responding to any fire alarm, residents must not interfere with the fire alarm panels under any circumstances.

Internal Refurbishment Project

33. Members will have seen that, following the conclusion of the Internal Refurbishment Project, snagging works in various areas to deal with different issues have been taking place intermittently. The Board is happy to report that, save for a couple of very minor cosmetic points, snagging has been successfully completed, which brings the Internal Refurbishment Project to a successful conclusion.

Block B roof

34. During the course of the year, the Board was asked to consider the issue of the condition of Block B's roof. Following works conducted during the 2019 Major Works, the approach adopted to managing and maintaining the roof has been the commissioning of *ad hoc* repairs where/when necessary, rather than embarking upon wholesale replacement at this time.
35. At present, the professionals advising The Pryors have not advised the Board that a change in approach is merited. Having considered relevant available information, the most recent decision of the Board was to maintain the approach currently in place, subject to any changes in circumstances necessitating reconsideration of the issue.

Subletting

36. As the membership will know, our community is made up of a significant proportion of 'renters' to whom lessees have sub-let their property. Lessees are reminded that under the terms of their lease it is necessary to obtain a licence to sublet from The Pryors (organised through the managing agent) *before* tenants are able to move into a lessee's flat. There have been a number of cases recently of

lessees signing contracts with tenants and, in some cases, allowing tenants to move in without having sought or obtained the necessary licence. This is a breach of the terms of the lessee's lease.

37. Obtaining a licence is not a lengthy process and The Pryors and the managing agent will not delay unreasonably. It is imperative going forward that lessees who wish to sublet follow the correct process so that the Landlord and all members of The Pryors community have the necessary legal protections.

Block A and B Lifts

38. The lifts in both blocks are important architectural features. They are also important day-to-day functional items, relied upon by residents, in particular those on the upper floors and those who have difficulty using the stairs. The lifts were the focus of maintenance and attention during the Internal Refurbishment Project and continue to receive ongoing care by a professional company familiar with our lifts. The costs of maintenance in 2024 are consistent with the budgeted amount.
39. The Board previously considered how best to ensure the servicing and maintenance of the lifts, from the most radical option of complete replacement to the least radical option of regular maintenance. Having examined the options, including the issue of maintenance with an independent consultant, the Board does not think that replacement or significant alteration of the lifts is desirable or necessary at this point.

Hard Landscaping Project

40. As noted above, the HLP is the next Major Works project on the horizon. Members will recall that a first Section 20 notice was issued over the summer but, on further consideration of the time necessary to scope out and plan various aspects, and then seek the views of members, the Board decided to withdraw the notice.
41. The HLP planning process is being progressed by a subcommittee leveraging the knowledge and expertise of its members, our surveyor and external professionals. The scope of work comprising the HLP includes:
 - a. Resurfacing of the carpark
 - b. Possible provision for electric vehicle (EV) charging points (see separate discussion paper)
 - c. External lighting changes
 - d. Perimeter repair and upgrading work
 - e. Pathways repair and upgrading work
42. It is important to emphasise that no concrete decisions have been taken about the precise scope of the project nor (necessarily) the exact approach which will be taken to develop the project. The advice we have consistently received is that, unlike other Major Works, the HLP will be more time consuming at the planning stage and less time consuming at the point of carrying out the actual works. That has certainly proved to be the case to date.
43. The first significant step undertaken in relation to improving the carpark (whatever ultimate design and EV charging decisions are made) was to address the rather tenuous position concerning the carpark's current design and layout and the regrettable absence of permission from Camden

Council. It appears that many years ago when the carpark was last renovated and the current layout devised, planning permission was not sought or obtained. In light of the reality that (i) at least some of the HLP works focussing on the carpark will likely require Camden's consent, and (ii) the current carparking rights distribution and oversubscription situation means we wish at least to retain the numbers of parking spaces we currently have and their allocations, a decision was made to seek retrospective consent from Camden Council. To obtain this we engaged the assistance of a planning consultant, Sati Panesar. Mr Panesar guided us on the evidence we would need to obtain a 'certificate of lawfulness' and how to engage effectively with the planners at Camden. We are pleased to confirm that Camden Council has now granted the certificate of lawfulness. We are grateful to Mr Panesar for his assistance and as noted above, to the residents who provided the necessary evidence in support of our application.

44. The grant of the certificate of lawfulness creates a secure basis upon which we can plan. If in the likely event we need to seek planning permission, we would be making such an application from the secure position of knowing that our current carpark layout had been approved by Camden. It is our current intention to seek to obtain approval for any works done to the carpark. We are keen to avoid any scenario in which Camden's necessary involvement could mean the imposition of current planning requirements on the layout and design of the carpark. We understand that many local authorities are proactively seeking to reduce the numbers of carparking spaces in an attempt to discourage car use. As our established, valuable parking rights have been held by many members for years, it is desirable to preserve the *status quo* to the greatest extent possible.
45. The carpark is also the focus for one of the more difficult HLP issues – whether, or to what extent, provision should be made in this round of works for EV charging. As explained above, we hope that the membership will engage in a discussion about this issue at the forthcoming AGM. We have prepared a paper to provide information as a guide to the discussion. The Board would be grateful to the membership for any and all views about how to approach this issue. There are various considerations which need to be balanced – technical, practical and financial alongside the need to recognise that a project like this benefits some members significantly, and is of no direct benefit at all to others. Having given a good deal of thought to the issues, the Board considered it would be of value to the membership if it stated its provisional position and its recommendation to the membership. In short, we have reached a clear initial conclusion that given the costs, uncertainties, practicalities and overall beneficial impact of proceeding with EV charging, this is not the right time to implement this change. Accordingly, the Board would currently be minded to adopt 'Option 1' as set out in the EV discussion paper.
46. Away from the carpark, the HLP will improve the perimeter of The Pryors. This involves both security and cosmetic considerations. As ever, alterations will be planned under the eye of the Conservation Group to ensure we adhere as much as possible to our heritage policy.
47. The Board considers that member engagement is important in this project. Members will be *formally* consulted at multiple stages along the way of the project, and we look forward to receiving responses. In addition, informal consultation can be expected. The AGM discussion about EV charging is the first example of this process.
48. Timings for the project are inevitably provisional at the moment, given the amount of planning required. Our current estimate is that planning, consultation and the raising of funds should be completed by spring 2025, with a view to the works taking place in or around spring/summer 2025.

By contrast to other Major Works, we understand that the duration of, and disruption caused by, the works will be significantly less.

Parking

49. The careful approach to the carpark described above reflects the fact that the question of parking rights and entitlements at The Pryors is not as straightforward as we would like it to be. Somehow over years, more rights to park have been conferred than spaces in the carpark (fortunately we do not think this has so far led to a situation where a lessee with a parking right has been unable to find a space in which to park). In addition, the whole process by which licenses for designated or additional parking spaces came to be distributed in the past is opaque. For more information about this issue and the Board's approach to handling the problems created by it, see last year's AGM Report of the Board to the membership.
50. The important point the Board wishes to make clear again is that there is no intention to redesign or renovate the car park in a way which disrupts the number or location of parking spaces presently in existence. As set out above, despite the issues which are apparent with our carpark (small spaces, spaces of differing sizes, limited space to manoeuvre etc., all exacerbated by the increasing size of vehicles) our aim is to keep the *status quo* for the present time. Changing the carpark layout would affect the number of available spaces and would likely trigger obligations to design the carpark in a way which is impossible to square with maintaining the number and type of existing parking rights.
51. It is in this context that the Board would make a plea to the membership for cooperation in ensuring that we all use the carpark in a way that is mindful of the difficulties which exist. Residents should only park in spaces which correspond to the colour coded permit rights they hold. Cars must be parked within the markings of designated spaces. If residents have occupied a vehicle space in the carpark consistently with their entitlement, they should not allow visitors to use the carpark without the caretaker's or managing agent's prior permission.

Work on individual flats and licences to alter

52. The aim of the Board is to enable lessees to improve their properties, but to balance that with (i) considerations which affect the wider Pryors community and (ii) The Pryors' heritage approach. The licence to alter ('LTA') approval process has recently undergone a review and revision process. In response to issues which have arisen in projects over the last number of years, new procedures and requirements have been introduced. These also take account of the helpful discussion of this topic at last year's AGM. The purpose behind these updated procedures and requirements is threefold: first to ensure that the Landlord has adequate information and powers to safeguard the building as a whole when refurbishments are planned and carried out, second to strengthen measures to ensure disruption to the community caused by refurbishment projects is carefully considered, managed and hopefully minimised throughout works, and thirdly, to make the process for lessees seeking to refurbish their flats clearer and more efficient.
53. Rather than providing chapter and verse here of the changes which are now in effect for any future LTA refurbishment projects, the Board has created a booklet which draws together all of the updated information and materials anyone considering applying for an LTA would need, and clearly explains the process involved. If any members wish to see the newly created 'flow chart' setting out the LTA

process, the expanded house rules for contractors, or a new model LTA, all of that will be available in the booklet which is currently in the final stages of review. This booklet will be available through The Pryors website.

54. Finally, members should be aware that the Board recently decided to engage a supplementary surveyor on a trial basis to assist our current surveyor, in particular with the handling of long term, complex LTAs. Our current surveyor remains very much in place and is actively assisting on a range of issues, including the HLP. We are conscious, however, that our current surveyor's plans may necessitate a handover in due course.

New Lease Group/999 Year lease

55. The New Lease Group has undertaken a complex, detailed task of coordinating the rollout of new leases for all lessees who wish to take advantage of this opportunity. This task has progressed at different speeds for different lessees but we are now very close to full 'take up'. Those lessees who had not completed new leases were recently advised that, within a specified period, it may be that the practical arrangements in place and costs agreed for the necessary legal work to obtain a new lease would no longer be available. Clearly the Board cannot maintain the New Lease Group indefinitely nor hold solicitors to fees agreed some years ago.
56. The Board again expresses its thanks to the members of this group who have worked very hard on this extremely important project.

Website

57. The Pryors' website (<https://www.the-pryors.co.uk>) was fully updated during the last year. The process was led by Joan Noble, to whom we are grateful. The result is a much-improved website which looks attractive and contains informative and useful information and documents for lessees to access and use.

The Pryors Handbook

58. The Pryors Handbook contains information about the management of The Pryors, and important aspects of living here. The current version of the handbook (updated 2019) is available here: <https://www.the-pryors.co.uk/handbook>. This edition is in the process of being updated. This is likely to take place during autumn 2024.

Conclusion

59. Although a quieter year in terms of Major Works, this has been the latest in a sequence of busy years for the Board. The benefits from the work undertaken are clear. As well as major internal works completing, extensive work has been undertaken to roll out new leases, whilst planning for the management of much needed future works. All of this has been achieved alongside the ordinary work involved in running The Pryors. The Board is extremely grateful to all who have assisted over the last year and we hope that the combined efforts of everyone involved are continuing to make The Pryors a place of which we can all be proud.

The Pryors Board (2023-2024): Aaron Watkins (Chair), Ivan Clark (Treasurer), Jennifer Blumhof, Julian Cole, Noshewan Vakil, Pauline Almeida.