



**BURTON WATERS
RESIDENTS GROUP**
“Working Together for a Better Community”

Email:- info@bwrg.org.uk

BWML ACCOUNTS & BUDGETS INSPECTION

Inspection of Burton Waters Management Ltd (BWML) Accounts & Budgets by Evelyn Freer, Tim Hiles & Peter Hurley on behalf of Burton Waters Residents Group (BWRG) as the Recognised Tenants Association (RTA).

Conducted December 2025 to February 2026

One of the duties of a Recognised Tenants Association is to scrutinise the charges that are levied by the Managing Agent (Brown & Co), on behalf of the Management Company (BWML) to the residents for the running of the estate for which they are responsible. This is a duty that BWRG take seriously. As soon as the audited accounts for Burton Waters were signed off and available, three of the committee spent a whole day at Brown and Co. examining the audited accounts.

Having previously looked at the summery accounts, we decided to examine the audited accounts, cost centres first. These were Security, Legal, Ground Staff, Accounting and Payroll, Gritting, Waste Control, Sinking Fund, Damages to Barriers, Electrical Call Outs, Life Safety Systems and Miscellaneous.

As you can see this was a comprehensive list and we were aware it would take some time. We examined all the costs for each category and ensured that we looked at every invoice and cross referenced them to payments.

Following a whole day doing this we spent the next two weeks going through our findings and compiling a list of questions for Brown and Co. Unfortunately, this was just before the festive season shutdown, and the answers were understandably a longer time being delivered.

We had a further day with Brown and Co.on **27/01/26** looking again at the accounts to ensure that we could verify their answers and discuss our suggestions. This was done and followed up by a joint meeting of the BWML board members and the BWRG committee members to discuss our findings. What follows is a summary of our inspection of the accounts, questions and answers to and from Brown&Co and subsequent meetings with BWML & Brown &Co

We have condensed this process into a summary document to bring the rest of the committee up to date with our findings. There are two sections to this update.

Section 1 The initial BWRG questions and Brown and Co answers for our visit and examination of the accounts.

Section 2 Follow up questions to Brown and Co and their answers

The BWRG questions that were asked are shown in black text. The responses from Brown and Co are in red text.

Evelyn Freer, Tim Hiles & Peter Hurley : 23/02/26

SECTION 1 ITEM 1 : SECURITY

1.1 What was the reason for the (apparently) disproportionate cost increase from 2023 (£195K) to 2024 (£250K)?

The increase in costs was primarily due to a combination of staffing challenges, pay increases, and the use of an external security provider.

Staffing Levels

- During 2023 and 2024, we had difficulty recruiting suitable candidates despite multiple recruitment drives, including advertising via Indeed.

- In 2023, the on-site security team consisted of 5 employees. By the end of 2024, this had increased to 7 employees, although one employee was on long-term sick leave during this period.

- The site typically operates with 8 full-time security staff to provide full cover. Shortfalls in staffing meant that external cover was required to maintain service levels.

Pay Increases

- The National Living Wage increased from £10.42 in April 2023 to £11.44 in April 2024.
- In 2023, our security officers were paid £xxxx per hour, and team leaders £xxxx per hour.
- In 2024, security officers were paid £ xxxxper hour, and team leaders £xxxx per hour.

Shift Pattern

- Security staff work 12-hour shifts on a 4-on / 4-off rotation, which requires enough staff to maintain continuous coverage.

Use of External Security

- Due to ongoing recruitment difficulties and to ensure full cover, a third-party provider was engaged from October 2023. External cover was provided by Stance Security (AMP) at a rate of £ xxxx per hour plus VAT. The use of external security was an operational measure to maintain safety and service continuity and was not intended as a permanent arrangement.

1.2 We were unable to verify staff costs as no payroll cost centre data for security staff was not available to ourselves because of GDPR Could we please have a breakdown of security manning – how many officers, at what pay scale, for how many hours, overtime payments, and what cover is provided for leave and sickness.

Optimum staffing is based on 8 people working full time in 12-hour shifts. This would allow 24/7 cover with 2 people per shift. There are 2 team leader posts and 6 officers. Although we received the pay scales, GDPR regulations prevent us from sharing them in this context.

1.3 Was the inhouse security capability supplemented by outsourced staff in 2024 as invoices show services from Stance Security for 1 full-time person for 48-60hrs/month?

Yes, we had to call upon a contractor during the year for the reasons detailed above.

Outsourced provision is more costly but necessary to maintain the service provision we believe leaseholders prefer.

1.4 The person provided by Stance after March is shown as an “SIA licensed security officer” for one week/month at £xxxx however no reference is made to that qualification for the other weeks, although billed at the same hourly rate. The implication is that the other weeks were covered by non-SIA qualified officers. Is this assumption correct?

It is not correct. We would only use SIA licensed guards and Stance would be committing a criminal offence if they supplied unlicensed guards to our site.

1.5 Are All Officers SIA Qualified?

To obtain an SIA licence a person must first hold a relevant qualification. As we only use licensed guards (in house or contract) it is the case that they are also all qualified. We maintain a register of the licence details and routinely check this through the SIA web services to check the licence remains valid as they can be revoked or suspended.

1.6 The evidence of use of a recruitment agency (Indeed Ireland) with online recruitment . Is this the most cost-effective and appropriate method of hiring security? Given that the requirement would be on-site, is there not a local recruitment agency that could be used, and possibly less expensive? Or directly employed?

Indeed Ireland operates its European recruitment services through Indeed Ireland Operations Ltd, which is its principal establishment within the European Union. As such, Indeed Ireland Operations Ltd is the legal contracting entity responsible for providing, administering, and billing recruitment services accessed within this region. We started using this in October 2023 £455.00 (no VAT) and February 2024 £153.27 (no VAT), March £88.95 (no VAT), April £72.04 (no VAT), June £139.09 (no VAT), July £167.88 (no VAT), October £18.16 (no VAT), November £85.04 (no VAT). We then started using this again in June 2024 £139.09 (no VAT).

The sourcing of suitably qualified personnel proved challenging due to the complexity of the role, the requirement for continuity of service, and the operational necessity for reliable 24/7 coverage. The position required not only appropriately licensed security staff, but individuals capable of integrating quickly into a sensitive on-site environment and maintaining consistent standards over an extended period. This significantly narrowed the available candidate pool.

While direct employment options were considered, securing and retaining suitable staff who could provide uninterrupted cover, including out-of-hours and emergency availability, presented material operational risks. In this context, the engagement of Stance Security provided the required consistency and stability of service. Their higher cost relative to direct employment is acknowledged; however, this premium reflected the provision of guaranteed 24/7 cover, contingency staffing, and continuity, thereby mitigating risks associated with staff absence, turnover, or service disruption. On balance, the arrangement represented a proportionate and justified response to the operational challenges identified and ensured the maintenance of continuous and effective on-site security.

SECTION 1 ITEM 2 : LEGAL

2.1 The Legal Fees section should be clearly subdivided into appropriate sub-headings eg FTT1, FTT2, General advice etc.

In previous reporting periods, the presentation of legal expenditure under multiple sub-headings was subject to challenge on the basis that such subdivision was considered.

inconsistent or inappropriate for reporting purposes. In response to that feedback, and in the interests of consistency and clarity, all legal costs were therefore consolidated under a single “Legal Fees” heading.

This approach was adopted to avoid duplication, misclassification, or further challenge regarding the categorisation of legal expenditure.

A detailed breakdown of exactly how fees are allocated does take time and resource to produce and is generally regarded as beyond the scope of what is necessary to provide.

2.2 In-House fees have credit invoices (Mar 04, Jun10, 25 Sep) – what are these?

04 March 2024 – relates to land registry disbursements that were refunded. 10 June and 25 September

2.3 In-House invoices refer to attached annexes detailing the work performed. They were not present for inspection. Given the focus on legal fees by leaseholders, we consider it essential that these details are available. If legally necessary, one of the team is prepared to sign an NDA to enable review.

This information is subject to legal privilege and is beyond the scope of information that the management company is obliged to provide. If a member of the RTA were to sign an NDA in order to review privileged information, this will set an undesirable precedent.

2.4 The In-House invoice rate per hour jumps from approx. £150-170 to £600 for Sept.

Your reference to £600 plus VAT reflects an agreed reduced daily rate not hourly rate, applicable for a total of five days, in respect of the five-day hearing commencing on 12 September 2024.

2.5 Are some fees VAT free?

Yes, Court Fees attract no VAT, plus some disbursements.

2.6 Following up from leaseholders’ comments, why pay expensive Barristers for FTT2 when much of the evidence will come from FTT1?

FTT2 is a separate claim from FTT1, albeit that there is considerable overlap, but the case has not reached a stage where the Applicant has yet identified which invoices they wish to challenge; hence, it is not clear what evidence will be required.

SECTION 1 ITEM 3 : GROUND STAFF COSTS

3.1 Please explain the reason for the increase of £15,200 from 2023 to 2024

We appointed a new member of staff from 3 to 4 members. See Point 1 under Security regarding hourly rates and National Living Wage.

3.2 Similar to the security staff, there was no payroll cost centre data available. Please provide the appropriate data and breakdown on staff details – how many gardeners, salary scales etc.

3 x full time, 1 x part time, including 1 team leader.
In 2023, grounds team were paid £xxxx per hour, and team leaders £xxxxper hour.

In 2024, the grounds team were paid £xxxx per hour, and team leaders £xxxx. per hour.

Across the team, they work 40 hours per week, 42 hours per week, 34 hours per week and 35 hours per week.

3.3 The gardens and public areas are regularly praised for the quality by residents and visitors alike. Although the costs for seasonal plants seem manageable, would you consider giving the team a greenhouse with appropriate temperature control to grow plants for the spring planting, as against use of Garden Centre/Nursery cost? (Spend-to-Save)

Yes, this is work in progress. It is not limited to needing the physical equipment but is also reliant on individual skill sets

SECTION 1 ITEM 4 : ACCOUNTING & PAYROLL

4.1 Confusing reporting – difference between Leaseholder summary of explanatory notes (sent with Service Charge invoices) and the detail in the invoices, and a lack of explanation of some (perfectly reasonable) expenses, such as minute taking for BWML meetings (£xxx) and immediate increase in Browns’ annual fees to £60K.

We acknowledge your point raised. The anticipated budgets for 2023 and 2024 were. £55,000 (net). Actual costs incurred for both years is £60,000 (gross). There was no increase between 2023 and 2024.

4.2 We believe it would be more transparent and easier to review if the accounts were presented under the same group headings as per the Leaseholder Summary and then to include appropriate line items e.g. Cleaning (Window cleaning, Steam Cleaning, Hygiene Services)

We acknowledge your point raised and would be happy to discuss this further. (Already discussed at the last joint meeting with BWMG)

4.3 Payroll data not available and thus difficult to judge impact of these costs against the current headings.

Forrester Boyd carry out Payroll and PAYE submission on behalf of BWML.

SECTION 1 ITEM 5 : CLEANING

5.1 £70 per hour for window cleaning seems excessive.

We have this as £23.00 per visit. Supplier - Saxilby Services..

5.2 Why are 2 companies doing window cleaning?

Saxilby Services carry out window cleaning to the Security Office. Kram carry out internal office cleaning to the security office.

5.3 Invoices for £23 per month x 7 months with £2,600 estimated cost but an actual spend of £12,000?

To clarify, the anticipated expenditure is £23.00 per visit for Saxilby Services to clean the windows. The overspend relates to steam cleaning, as noted at Point 4 (below).

5.4 What was steam cleaning (£6,850 + VAT) for? (Goose poo? Landings and Quays? Pathways?)

The steam cleaning was to clean The Quays common areas and pathways.

5.5 Examination of the credit card receipts (mainly Coop) submitted by Security staff for cleaning products, bin bags, toilet rolls etc seem reasonable but a little on the high side. However, often included in these receipts were purchases of large amounts of large tins/jars of coffee, tea and yoghurt. These local purchases are time consuming and leaves the system open to abuse. Please confirm whether liquid refreshments are furnished gratis to the security (and maybe Ground staff) as part of their conditions of employment. In every other business/organisation that the reviewers have been involved with over the years, employees' refreshments are normally self-funding – even for shift work. If these refreshments are provided at no cost, then there needs to be a clear list of what purchases are permitted and who can submit requests for payment. A simple record of dates, items and cost should be maintained by the Security Office.

Thank you for the comments. Tea, coffee, sugar and milk are currently provided free of charge to Security staff (and, where applicable, Ground staff). However, we recognise that the current ad-hoc local purchasing is inefficient and creates a risk of misuse. We are therefore reviewing this area with the intention of introducing a capped spend limit. (Charlotte is overseeing and where possible an online shop s used for these purchases)

SECTION 1 ITEM 6 : GRITTING

1. The increase in gritting costs has caused concern – we found 2 invoices in 2024 for £4,166.40 (incl VAT) each in Jan for 9 months and Oct for 3 months. Could we have an explanation please?

We understand your query raised. We can confirm that for the annual gritting period, we have a fixed annual cost of £6,944 plus VAT (With VAT excluded accounts to £4166)

SECTION 1 ITEM 7 : WASTE CONTROL

7.1 Invoices on 03/05 & 30/09 for the same amount – was this a coincidence or was this invoice paid twice in error?

This is for heavy duty refuse sacks. It is correct and was ordered twice.

7.2 Could we have a breakdown of the number of skips used per month and their positions on the estate please?

Details awaited. We would be happy to arrange a meeting to show you the locations on site and provide you with the data. Site map npw given by Brown and Co)

7.3 The toilet rolls and bin bag numbers seem rather excessive (please also see Item 5 Cleaning) – does anyone monitor these purchases? (unfortunately, this just feeds the members looking for skeletons!)

We refer to our comments made at Item 5 Cleaning. Noted.

SECTION 1 ITEM 8 : INSURANCE

8.1 An invoice for recharge on £2,087.90 on 01/08/24 payable from Moorings Co to BWML – please furnish the relevant details.

To confirm, BW Moorings Ltd are the landlords under a commercial lease where BWML occupy the grounds shed and security office. This amount is for buildings insurance which is recharged to BWML as tenants. This is a standard commercial practice.

8.2 Total invoices = £21,486, whereas the accounts show £23,922 – explanation of discrepancy please (vehicle insurance?)

We cannot match to your figures. Please could you provide more information to enable us to comment. There has been a prepayment within the year of 2024, which we understand maybe the difference between both.

8.3 We could not find any vehicle insurance invoices for BW vehicles.

Marsh Commercial is our broker; they issue the invoices. We have fleet insurance through Aviva and are comfortable with the cover.

SECTION 1 ITEM 9 : SINKING FUND

9.1 Was the Sinking Fund used for contingency expenses or for capital expenditures? Do these conform to RICS Codes of Practice both in terms of authorisation and repayment?

Instructions were sought from BWML to transfer funds as a loan from the sinking fund to the main fund. The sinking fund is £118,994.00. Any amount loaned was returned.

9.2 Is the intent to repay the Fund from house sales and service charges repaid from bankruptcy proceedings?

We have not fully resolved how we will address money credited to us. It will be checked for the legal position and may then be added to the service charge pot, sinking fund etc. It is not to be 'repaid' to the sinking fund as it was not directly taken from there.

SECTION 1 ITEM 10 : VEHICLE DAMAGE TO ANPR BARRIER

10.1 Is there a charge to the person/company who damages the barrier – if so, should there be a credit invoice to balance the cost? If not, why not? (cost of legal fees outweighs the benefit?)

Where we can identify the person who causes the damage we do pursue it, as the amount of money is small it can be inefficient to pursue formally and/or go through insurers as an excess applies. We do hold replacement signs in stock as this is more effective to buy in bulk.

SECTION 1 ITEM 11 : ELECTRICAL ‘CALL-OUTS’

11.1 There seemed an excessive number of ‘callouts’ for electrical repairs, particularly for lighting, paid to MB Electrical (several hundred pounds sometimes for seemingly simple jobs) and often a number of repeat callouts to the same area (The Quays) within a very short period. Are these emergency ‘callouts’, an if so, could they be grouped into scheduled repairs?

MB Electrical are called out for reactive works. Whenever a cherry picker is needed, we aim to organise tasks together to reduce expenses; however, MB responds to jobs as they arise.

11.2 We recommend that consideration be given for a survey to be performed to identify underlying causes with a view to develop a planned maintenance schedule for an overhaul of the electrical wiring and lighting facilities to reduce short term repairs.

An Electrical Installation Condition Report (EICR) is undertaken every five years to assess the condition and safety of the electrical installations. The purpose of this inspection is to identify any defects, deterioration, or non-compliance with current regulations, and to provide recommendations for any remedial works required to ensure that all electrical assets remain safe and fit for use.

In the absence of any known defects or concerns, there is limited justification for procuring an additional electrical survey outside of the scheduled EICR cycle. Routine compliance is therefore adequately managed through these periodic inspections. MB Electrical are primarily engaged on a reactive basis, typically in response to operational issues such as circuits shorting, localized faults, or for minor maintenance tasks including the replacement of lamps or fittings. These call-outs are not indicative of systemic issues but rather day-to-day maintenance requirements.

SECTION 1 ITEM 12 : LIFE SAFETY SYSTEMS

12.1 Costs for fire protection and defibrillators came in below budget – does this mean that some emergency equipment is not being serviced in accordance with the relevant schedules?

No. All fire protection and defibrillators are serviced and maintained. The budget was set to procure new life safety buoys; however, we have not spent on these items thus far.

SECTION 1 ITEM 13 : MISCELLANEOUS

13.1 Tractor bill - £2,314.88 on 21/11/24 (inv # 54155) – only page 2, no page 1 – please provide the missing page and explanation of this high cost.

Please see attached invoice explaining the breakdown. We believe the missing page is due to printing. (Invoice has been seen and verified.)

SECTION 1 ITEM 14 : AUTHORISATIONS

It was noted that none of the invoices or receipts had any “authorisation/approved for payment signature”. Please would you explain the review and authorisation procedures (‘sign-off levels of expenditure’).

This is an internal Brown & Co process and therefore would not be reflected on invoices. We can confirm that appropriate internal authorisation controls are in place for the approval of invoices, alongside an agreed expenditure review threshold with BWML. This threshold is currently set at £5,000.

END OF SECTION 1

SECTION 2

FOLLOW UP QUESTIONS TO BROWN & Co FOLLOWING SECTION 1

2.1 Security (Section 1 Item 1) – how much of the Moorings estate is covered by security and what payments are made (service charge schedule shows that Moorings pays 3.58% of the service charge for security and pest control = £24,094)

Security is paid for through the apportionment, the same as every other leaseholder. The service charge for Moorings this year is £34,099.50. Apportionment is, however, the subject of the dispute in FTT2, in respect of which the listing of a further case management hearing is awaited.

2.2 (Section 1 Item 2) In-House invoices to be clarified (hourly rates / daily rates / less confusing presentation (charges and credits on the same page). Very difficult to reconcile the total spend and areas covered (legal privilege quoted by Nathan – unfortunately, unless we can find acceptable way of explaining these fees it is going to be a constant source of ammunition for the conspiracy theorists unless we can find an explanation that a Judge would support if litigation was pursued)

In-House (PBS) Ltd provide us with legal and HR consultancy services across a wide range of issues. The advice is primarily provided by James Hazel. James, as you know, is also a director of Burton Waters Moorings Ltd. The directors of neither company regard this as a conflict because the interests of Moorings and Management are aligned; both want a speedy end to the current litigation, and both want to prevent vexatious or abusive litigation being run in the future. Far from this being a conflict, it is critical that the management company has advice from someone with an oversight of all the litigation concerning Burton Waters because it has been conducted by leaseholders “as a whole” and we have repeatedly seen the same arguments run against both Moorings and Management.

James qualified as a solicitor in 2008 and has experience across a wide range of disciplines, including service charge disputes. He is also a registered mediator. The hourly rate charged is currently £185 + VAT. The national hourly rate guidelines for an equivalently qualified individual for Lincoln is £288 + VAT. We were also assisted by Louis Harman, also a qualified mediator, and an employee of In-House (PBS) Ltd, in successfully resolving a significant issue with some of our staff. Louis was charged out at

£xxxx which again falls considerably below the national rate. Where James has attended court to assist our lawyers, In-House charges a very discounted day rate as goodwill.

At all times, the conduct of litigation on behalf of the management company has been placed with our solicitors, Mills Chody (and, historically, Wilkin Chapman). In-House provide valuable services in connection with the Burton Waters litigation which otherwise would have to be carried out by fee earners of the solicitors at considerably higher rates. This includes (without limitation) the analysis and preparation of evidence, work on documents, liaising with the lawyers on behalf of the Board, updating and advising the Board, employment and HR services, advising in connection with potential lease breaches and enforcement, and work associated with the plethora of complaints and inquiries conducted by leaseholders where there is a legal angle, or which are suspected to be vexatious or abusive. In the absence of this work being carried out by In-House, the legal cost budget would be considerably higher.

In-Houes's fees were challenged in FTT1 and all charges were found to be reasonable.

2.3 (Section 1 Item 4) Accounting and Payroll – could we have the presentation under topic headings (E.G. Security / Gardens etc) to make the total costs for each area easier to identify

We take your comments on board and thank you for your feedback.

2.4 (Section 1 5.4) Steam cleaning (£8220) seems very large (anecdotal evidence of some pontoons being cleaned at similar times). Should we not purchase our own steam cleaner?

The cleaning works formed part of a scheduled programme of external maintenance across several areas of the estate, including quayside locations, water feature surroundings, and principal entrance walls, pillars, and gates. The scope and extent of the areas involved required multiple attendances and, in certain locations, access at height in order for the works to be completed safely and to an appropriate standard.

The works were carried out using methods suitable for the surfaces and conditions present at the site and in compliance with applicable health and safety requirements. Where specialist access equipment was required, this was provided as part of the works to ensure safe execution.

We are satisfied that the works undertaken were necessary and were carried out appropriately in order to maintain the appearance, condition, and safety of the estate. The works were carried out in a manner that was reasonable and appropriate for the circumstances; however, we take your comments on board, and we will be happy to address this to see if this is an option for any future works of higher-level works.

2.5 (Section 1 Item 7) Skips – who pays? / relationship between BWML and Moorings use? / site map

Skips are paid for by Burton Waters Management Ltd and used exclusively by Burton Waters Management. Burton Waters Management Ltd ordinarily have one skip on site, and this is usually located at the location What 3 Words - ///slowness.spun.flap . Other skips may be seen around the estate, but we understand that these are for Burton Waters Moorings Ltd use.

2.6 (Section 1 Item 9) Sinking fund use for cash flow shortage

The sinking fund is held on trust in a separate designated account. Its use must be consistent with the use permitted by the lease, which is towards the costs, charges, expenses, outgoings and other matters for which the Management Company is responsible under the lease. That is exactly what the fund has been used for.

2.7 (Section 1 Item 11) Electrical callouts – more information on who authorises / list types of repairs/faults agreed for re-active call outs / categories of critical failures and time periods for repair / interaction between security and MB electrical for repairs / list of contact numbers to report a failure

This is far beyond the type of information that the management company is obliged to provide.

2.8 (Section 1 Item 12) Life support and defibrillators - Why are they not replaced & could we have a site map for publication and display

The defibrillators installed at the estate are registered on the national "Circuit" system, which provides live information regarding their location and operational status. This ensures that the devices are visible and accessible to emergency services and that emergency call handlers are able to direct responders to the nearest available unit when required.

The defibrillators are subject to routine monthly checks, and the outcomes of those checks are recorded on the Circuit system. In addition, the units are inspected annually by an independent third-party provider to undertake functional and shock testing and to confirm continued operational readiness. Consumable items, including pads, are monitored and replaced as required in accordance with expiry dates and manufacturer guidance.

A location map has been enclosed for information purposes only. This is provided solely in response to the questions raised. Prior to any wider dissemination or publication of mapping information, we consider it appropriate to discuss and agree the format, content, and placement of any such material. This is because the Circuit system and emergency services control rooms remain the primary and authoritative source of live information during an emergency, with call handlers directing responders accordingly.

The Managing Agent is not opposed in principle to the publication of defibrillator location information for estate users but considers that any such publication should be subject to prior agreement and an appropriate implementation plan. The map provided is currently used internally for operational and location-management purposes only. The moorings company does not charge for unit attached to its buildings, including electricity use.

END OF SECTION 2

The above has been checked and verified by Peter Hurley, Tim Hiles and Evelyn Freer and will be an agenda item at the next full committee meeting on 7th April 2006

