



## **Wapping Quays RTM Company Ltd**

### **How Major Works Are Planned and Funded - Briefing Note – June 2026**

Leaseholders often ask how the Board decides which major works should be undertaken and how those works are funded.

The Board must manage the building in accordance with the lease and the legal advice it has received. Unless the lease is changed in the future, major works and funding arrangements must continue to operate within those requirements.

#### **1. Identifying Work Requirements**

The Board continually monitors the condition of the building and identifies areas requiring repair, replacement or improvement.

This may involve routine inspections, reports from leaseholders, contractor recommendations, professional surveys and planned maintenance reviews.

#### **2. Obtaining Professional Advice and Indicative Costs**

Before significant works are considered, the Board seeks professional opinions and indicative cost estimates.

This helps the Board understand the nature and urgency of the work, compare options, estimate likely costs and develop longer-term maintenance plans.

#### **3. Prioritising Works**

Not all works can be carried out at the same time.

The Board therefore considers factors such as health and safety, legal requirements, building condition, risk of deterioration, impact on residents and available funding before deciding which projects should proceed.

Priorities may change if urgent health and safety issues, statutory requirements, building failures or new professional advice require resources to be redirected.

#### **4. Reviewing Available Funds**

Once priorities have been identified, the Board reviews the balance held within the sinking fund and other available reserves.

The Board considers whether sufficient funds are available to complete the proposed works without requiring additional contributions from leaseholders.

## **5. Where Existing Funds Are Sufficient**

Where sufficient funds are available, the Board will obtain formal quotations, undertake any required consultation and arrange for the works to proceed.

## **6. Where Existing Funds Are Insufficient**

Where future planned works are expected to exceed the funds currently available, the Board must consider how the costs can be funded in accordance with the lease.

This will involve discussing the project during the annual budget-setting process, including future costs within service charge budgets, reviewing the timing of works or phasing projects over more than one financial year.

The Board cannot simply raise funds outside the provisions of the lease and must ensure that all demands are made in accordance with the lease and applicable legislation.

## **7. Consultation and Tendering**

For significant projects, formal quotations are obtained and the Section 20 consultation process is undertaken where required.

Leaseholders are provided with information regarding the proposed works, estimated costs, contractor quotations and if necessary the reasons for the Board's recommendations.

## **8. Funding and Cash Flow Management**

Contractors generally require payment as works progress, whereas leaseholders contribute towards service charges in different ways.

Some leaseholders pay annually, some quarterly whilst others pay monthly.

The Board must therefore ensure that sufficient funds are available when works are carried out. In some cases, projects may need to be phased so that funds can be collected before expenditure is incurred.

## **9. The Role of the 0.5% Sale Contribution**

The lease contains a provision requiring a contribution to be paid when an apartment is sold or otherwise disposed of. These contributions are paid into the sinking fund and form an important part of the building's long-term funding arrangements.

However, the amount received each year depends on the number of apartments sold and the sale prices achieved. As a result, annual receipts can vary from year to year.

The Board therefore plans future expenditure by considering both the funds already available and the anticipated future costs of maintaining the building, together with the funding mechanisms available under the lease.

## **10. Long-Term Planning**

The Board seeks to take a long-term view of the building's maintenance requirements. Planned maintenance programmes, professional advice and periodic reviews help inform future priorities and funding requirements.

Wherever reasonably possible, future maintenance requirements are identified in advance so that funding can be planned over a number of years rather than relying on large unexpected demands. This approach assists financial planning and helps support the long-term upkeep of the building.

This enables the Board to identify likely future expenditure, prioritise projects and provide leaseholders with advance information wherever reasonably possible.

## **11. Communication and Transparency**

The Board recognises the importance of keeping leaseholders informed about significant projects and anticipated expenditure.

Where appropriate, information will be shared through annual reports, general meetings, briefing notes, the Wapping Quays website, statutory consultation processes and correspondence from the Managing Agent.

## **12. Conclusion**

The Board's objective is to maintain Wapping Quays to an appropriate standard whilst managing leaseholders' funds responsibly.

This approach is intended to provide a transparent and structured framework for maintaining the building whilst ensuring that expenditure is planned and managed responsibly.

By identifying future maintenance requirements, obtaining professional advice, prioritising projects, planning funding arrangements and communicating openly with leaseholders, the Board aims to protect both the building and the long-term interests of all leaseholders.

The Board of Directors  
Wapping Quays RTM Company Ltd