

Leasehold MRC

Your questions answered

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Estimates and payment options.

Q - I have read that 2 bed flats will have a greater percentage charge over 1 bed flats. As I own my 2 bed property by myself (I am sure many others are in a similar situation) will this be taken into consideration? I receive a 25% discount on my council tax regardless of the size of my property - can something similar be applied to this?

A - The amount that each leaseholder contributes towards communal costs is defined by each individual lease and this would not take into account how many people occupy the property. Leases at SBC normally contain one of two methods of apportioning charges. The first insists on using the rateable value as the basis for dividing up costs and the second allows for the Council to use the rateable value or "such other method of calculation as should be deemed by the Council fair and reasonable". In both cases the size of the property will impact on the charge made. It would not be possible to include an occupancy discount, as this could be challenged by other leaseholders, at tribunal, as not forming part of the lease.

Q - In the Comet interview with Sharon Taylor it said the council are paying the majority of the bill. Is it possible to see this or any way we can see if they do indeed actually own 2/3 of the flats that are being done up? In my block there are 7 flats, 6 of which are now leasehold.

A - We currently have around 3850 flats which are affected by the MRC of which 1287 are owned. We are therefore not only responsible for the cost of the works to around 2/3 of our flatblock stock, we are also not recharging for items such as the door entry systems, cable tidying, filling and repairing holes to external walls due to works in a property, ramps for the purpose of complying with the Disability Act and anything which we consider an unreasonable recharge due to it not being a necessity. We expect that this will result in around 75-80% of the costs being covered by the Council for these works.

Q - In my estimation they have railroaded ahead with this, telling everybody they will have to pay for it, without considering whether we are actually able to. I went to the drop in meeting in July where I queried the costs with the team there, pointing out that they must have a fair idea of what it will cost per block, since they had already agreed prices with the contractors. I appreciate there must be some allowances for the unseen, and problems that come up once works have started. I couldn't understand why they couldn't give a ball park figure, even if they made it very clear there would be some variation. I was told they would come and do the survey in October, send us each an estimate in January, and that works are starting in April, regardless of any objections.

Given that the council are steaming ahead with this, should they be offering interest free loans?

A - We are making every effort to ensure value for money while carrying out necessary communal works to your building. The terms of your lease require you to contribute to these shared costs and a range of payment options are detailed in our Payments Options Policy on our website. However, we do not offer interest free payments for its leaseholder, as the cost of providing this facility would have to be met from the Council's housing revenue account, which is funded by tenants rents.

Q - Couldn't the costs be added to the property, like a charge, and paid off by whoever lives in it? That would not prevent sales going ahead.

A - A charge against the property will be dependent on an individual affordability assessment. Any charges will need to be paid in full at the point of sale or transfer.

Q - We would like to know why money for the major works has not been collected over the past few years to lessen the impact on leaseholders instead of handing out one big bill. According to our lease SBC are not obligated to collect money for major works but there is an allowance for it should they have wanted to. Therefore would it not have been good practice to do this and help the leaseholders prepare for the upcoming costs? We know that the works have been in the pipeline for at least six years.

Q - I'm sure there's a whole load of questions already submitted so I'd like to ask , why has no sink fund been provided throughout all the years of the service charge for all these properties in Stevenage,

A - Each block would be required to hold funds for these works. This would require the monitoring of 550 extra bank accounts which would mean a large increase in the management fee for the extra staff. Also, as not all properties are owned, each sum collected would need to be allocated to a property rather than the whole block and the calculation based on what each individual had paid into the fund for their block. Not all flats are sold at the same time so a person who had been contributing for 6 years would rightly expect to benefit from that contribution without sharing it with a newly purchased Right to Buy property which had only been contributing the last 6 months. Again, this would require more staff to work on Major Works at your block resulting in an even higher increase to your management fee. We recommend that the individual Leaseholders save a fund independently to meet their obligations within the lease.

Q - What options are you giving to people that will struggle to pay for this work that YOU want to carry out? I know councillors in London that have arranged lengthy term and low interest options and I want to know what you are providing - given the problems I have heard leaseholders, such as pensioners, discussing.

A - Works are being carried out because they are necessary for the continued performance of the blocks. We have determined the need for these works based on both age and condition of each individual element. If we choose to do any further works which are not considered necessary, you will not be recharged for the element.

Our payment options policy is available on our website and we will be offering all Leaseholders the opportunity to discuss their individual circumstances with us at the point of invoicing. We also suggest that all Leaseholders consider taking independent financial advice in relation to the payment as we are unable to help you with other options that may be available.

Q - How many interest free years will SBC be giving leaseholders to pay these ridiculous and outrageous bills.

SBC is making every effort to ensure value for money while carrying out necessary communal works to your building. The terms of your lease require you to contribute to these shared costs and a range of payment options are detailed in our Payments Options Policy on our website. However, SBC does not offer interest free payments for its leaseholder, as the cost of providing this facility would have to be met from the Council's housing revenue account, which is funded by tenants rents."

Q - Is this project to help Balance the Housing Revenue Account???

-Charges made to leaseholders are not made to balance the Housing Revenue Account (HRA). In most cases the HRA pays for the majority of the works carried out, as the majority are tenants. The costs recharged to our leaseholders are based on the obligations set out in their lease, with the aim of only recovering a reasonable amount for communal works.

Q - Will we be sent what works will be required to the flat?

A - All Leaseholders will be sent a Resident Information Pack and a basic breakdown of the costs for their block. Should you require a more detailed breakdown of those costs, please let us know and this can be emailed/posted to you.

Q - How am I going to pay the bill? I understand we could be give some loan to pay if we do not have the funds. Is this loan given based on means testing??

Q - How are we expected to pay £16,500?

Q - Have you thought about the people that you are asking this much money from?

A - In order to qualify for a discretionary loan, their will be an independent affordability assessment which will determine what repayments you may be able to make. For those who qualify for a statutory loan due to having purchased through the Right to Buy in the last 10 years, we will not be conducting the assessment.

Our payment options policy is available on our website and we will be offering all Leaseholders the opportunity to discuss their individual circumstances with us at the point of invoicing. We also suggest that all Leaseholders consider taking

independent financial advice in relation to the payment as we are unable to help you with other options that may be available.

Q - How is the alignment of costs arrived at with regard to council tenants, compared to Leaseholders, by what method is such costs arrived at, is it an accepted method and if so its title, or is it an inhouse method ?

A - We use the same method that we use to determine the Council rents of each property. Each property within each block as a current insurance valuation and this is then turned into a percentage of the total value of the block. All properties are recharged their percentage, regardless of tenure.

Q - What's the average amount the leaseholders of completed refurbishment works have been charged towards them so far?

A - No Leaseholders have been invoiced at this time. We expect the first invoices to be sent in May of this year.

Q - Will we see a complete breakdown of these costs from total bill down to how our leaseholders charges have been calculated?

A - This will be sent with your invoice.

Q - What payment plans or options are available?

Q - If it is a 5 year redevelopment scheme why is there not a 5 year repayment programme?

Q - Programme of works at each block should be spread out over 5 years. With highest priority works being carried out first, this will help leaseholders spread the cost?

A - There are a number of payment options which have been available on our website or by request since March 2017. We will be offering you the opportunity to meet with a member of the Major Works Team to discuss the options that may be best for you at the point of invoicing. We advise all leaseholders to take independent financial advice.

Q - What do you mean by specified time scales? (payment)?

A - Please see the Payment Options Policy which explains the timescales for all payments.

Q - Tenanted flats, you say their contributions are paid from their rent. But have also said you will not be increasing rent? So how will their portion be covered?

A - Tenants pay weekly rents and service charges that cover the running costs and maintenance of their homes. These rents cover the cost of the major repairs

programme over a thirty year cycle. Individual rents are not changed to reflect work at specific blocks, as the cost are spread over all rents.

Leaseholders do not pay weekly rents and their charges are based on actual costs incurred in their specific block. This is why tenants do not see an increase in rents when work is done to their home, but leaseholders receive a specific charge.

Q - To keep the cost down for the residents perhaps consider repairing key areas of the building such as roofing and deep cleaning of the communal area?

A - Works are being carried out because they are necessary for the continued performance of the blocks. Staggering the works would increase the cost of the individual elements and be logistically detrimental to the Borough as a whole. An enveloping programme is the most cost effective proposal as we will all benefit from the economies of scale. It also allows us to complete all 550 of our flat blocks in a timely manner with the least disruption to neighbouring properties and the general infrastructure of the Borough.

Q - Regardless of leaseholder's circumstances of ownership, do the council really think people have this kind of money to their disposal?

A - We are aware that some leaseholders do not have these sums of money at their disposal and have put in place a Payment Options Policy to reflect that.

Q - It cannot be stressed enough that the bill leaseholders are facing for work carried out has seriously spooked people and there are significant concerns about payment options, the ability to pay for work and access to help with funding. One leaseholder approached me after the meeting about costs being 'capped' (citing 'Florrie's Law').

A - There are a number of payment options which have been available on our website or by request since March 2017. We will be offering you the opportunity to meet with a member of the Major Works Team to discuss the options that may be best for you at the point of invoicing. We advise all leaseholders to take independent financial advice. Florries Law only applies in cases of government funded works. Unfortunately, these works are not eligible for any government funding.

Getting involved – the leaseholders rights.

Q - Leaseholders would like more of a say in what works they think need to be done. I tried to contact Victoria at Mulalley yesterday to discuss being involved with the survey and was told she was off sick. They said they would call me back, I am yet to hear from them.

A - All leaseholders are invited to a consultation event to discuss the survey of your individual block to help us determine the final scope of works prior to us sending you the estimated invoice. We also welcome feedback throughout the works and you of course have the opportunity to make observations through the Section 20 process.

Q - There are other cases where the leaseholders have been told their roofs need replacing, but once they have had a look for themselves it is clear that they don't need replacing at all. And, the guttering is already the same guttering that the contractors/council are saying should be ripped out and replaced with the same thing, despite the fact there is nothing wrong with it. Apart from a waste of leaseholders money, isn't this a waste of council money too? In some instances the contractors/council are saying the soffit may contain asbestos, but according to the leaseholders making the point this can easily be replaced without replacing the whole roof.

A - This appears to be an individual query and it is not clear what it is in relation to. There are a number of blocks where the guttering is not being replaced at all and others where soffits are being replaced where the roof is not. We urge you to contact us directly with details and any concerns we are happy to investigate and want to work with you not against you.

Q - Should we get our own surveyor to challenge these quotes? As some people have.

A - You are perfectly entitled to do so if you wish.

Q - Will we be able to fully challenge the 'final ' bill as our estimate shows things that aren't even on the building i.e. removal of chimney stacks which we don't have and communal bin shelters being made when nothing in our block is communal.

A - No costs have been finalised on any blocks as yet and all will be scrutinised prior to the invoices being sent out. If any Leaseholders still feel that an item is not being reasonably recharged, they have recourse to dispute the costs and the works at this time and we will look to discuss this and reach an amicable conclusion.

Q - What's the procedure should we wish to appeal the amount of costs suggested to be billed to leaseholders?

Q - How can the works planned be challenged and the costs?

Q - Does the leaseholder have any right to appeal against the estimate, if so what is the process?

A –We urge you to contact us at any time during this process with any concerns about your block.

All residents are also invited to a consultation event to discuss the survey of your individual block to help us determine the final scope of works prior to us sending you the estimated invoice. We also welcome feedback throughout the works and you of course have the opportunity to make formal written observations through the Section 20 process.

If you believe that any of the costs in your final invoice are not being reasonably recharged, we would like you to initially raise this with us so that we can look to resolve the issue with you. Should the Major Works Team be unable to resolve your issue, we can escalate to our in-house Legal department for mediation. Finally, you always have recourse through the First Tier Tribunal.

Q - Can I refuse to have work done?

A - We consult with you regarding all works and will consider all feedback in determining the scope of the works for your block. You do not have the right to object as such as we are working within the terms of your Lease. However, all resident feedback is encouraged.

The contract – procurement, tender and costs.

Q - If I was not a leaseholder I would be able to get 3 quotes for high end replacements/repairs such as the roof. I would also be able to make a decision on whether or not I could afford to do this. Therefore it seems unfair that leaseholders are being made to pay for things and receiving such high bills just because 'it's in the terms of our lease' and we are powerless to do anything else.

A - We have determined the need for these works based on both age and condition. Only works that are necessary to the block are being recharged to Leaseholders. If we were to arrange quotes for each block individually for each element of the works, we would be required to take on more staff to manage this which would be rechargeable to you in the management fee. Overall, the two contractors who won the contract were around £10 million cheaper than their nearest competitor and doing the works in this manner allows us to recharge a very minimal management fee, keeping the leaseholders costs down wherever we can. As we are paying for around 70-80% of the overall costs of the contract, value for money is also very important to us and we have procured the contract in line with the legal requirements of OJEU procurement law and the two cheapest contractors won.

Q - For the Major Works Project you have conducted a tendering process and selected 2 contractors. This should have allowed you to select the contractor that provided the best value from the one asked to bid. However, this does not mean that they are offering value for money. From the information available fellow lease holders who have now received costing it would appear that all costs are excessive i.e.£13,000 for scaffolding that an independent local scaffolding company advised should only have cost approx. £8,000, blocks being charged 3 times the market rate for gates & fencing. How do the council intend to ensure that the leaseholders are receiving value for money from the selected contractors? Is some form of independent scrutiny being undertaken?

A - All costings that have been sent out are an estimate and are based on a 'worst case scenario' approach. The contractors bid using their Tendered Schedule of Rates and we pass on the exact costs as per these rates. This is the same as the costs that we are paying for. As they are working on around 550 blocks across the Borough, there will be some elements that may be a little more expensive and other elements that will be cheaper as we will benefit from the economies of scale. Our procurement process is set down in Government legislation and we chose the two cheapest contractors for the works.

Q - Will the lease holder receive the same volume of discount that the Council receive on the Contract?

A - The Council is not receiving any discount for the works. The contractor sends us an invoice for each block and we make the percentage payment for the tenanted properties and pass over the recharge for your percentage to you. All properties of the same size in the same block will receive the same invoice, regardless of tenure (there are exceptions to this based on the individual leases).

Q - Are drones being used to conduct roof surveys therefore saving the cost of erecting scaffolding unnecessarily?

A - Neither of the contractors have a commercial licence for the use of drones. However, even if they did, drones would not be able to access the felt and batons beneath the tiles which are the main elements that we look at when considering a roof replacement.

Q - Is anybody from the council checking the detail of the estimates that are being sent out? It seems the leaseholders have to scrutinise the costs, and if/when they query they are being told it is correct, even when they have independent quotes clearly contrasting what the council are saying. Should it have to be a major battle just to get somebody to re-look at the estimate in the first place? I am referring specifically to a fence that was quoted as £3,250, even though independent quotes said no more than £1,000. The leaseholders had to keep fighting this query, causing undue stress and anxiety. In the end it transpires the leaseholders were correct.

A - The Estimates are based on the tendered schedule of rates. This is not comparable with quotes from independent contractors as they would not be able to manage all 550 blocks within the 5 year timescale. No costs have been finalised on any blocks as yet and all will be scrutinised prior to the invoices being sent out. If any Leaseholders still feel that an item is not being reasonably recharged, they have recourse to dispute the costs and the works at this time and we will look to discuss this and reach an amicable conclusion.

Q - With regard to the scaffolding I feel that SBC should as a goodwill gesture absorb the costs of the scaffolding, I say this:

- because you need it up anyway to complete the major works to your own properties
- because this is a bone of contention due to the extortionate cost and drawn out time of the scaffolding being up
- you say you got a good deal i.e. would have cost the same for whatever period it is up
- however the amount being charged is clearly a 'reduced' price from the contractor so that they had less time restrictions and gave them more leeway for slippage incurred What??
- but the amount being charged goes beyond commercial rates

A - The scaffolding cost is within the tendered schedule of rates. This is being split equally between all properties on a block for the time it is in place for any rechargeable works. We will not be waiving this cost. However any further time it is in place will be paid for by the Council.

Q - How are we guaranteed that we are not being over charged?

A – When you receive your invoice you can request to see the costs that have been passed over to us as a whole and this can then be calculated into your percentage. All invoices will be sent with a full breakdown.

Q - Good practice is to get 3 quotes for each job. Having one contract for over 500 flats is pretty much giving a blank cheque with my name on over to a stranger. What contract clauses do you have to insure that costs don't over run and can be claimed back if they do? Is there contra charges for work that is mis managed and over runs? For example if the scolding is up and no one is using it causing the costs to go up who pays for this? Is this contra charged back to the contractor?

A – As per previous answers, the contractors who have won this contract work on a tendered schedule of rates. We consult with all residents regarding the scope of works for the individual flat blocks before producing a works order and any overrun/ variation of costs has to be requested by the contractor and approved by us before works can go ahead. We will look into each request carefully before we approve if and when this situation arises. The scaffolding cost is within the tendered schedule of rates. This is being split equally between all properties on a block for the time it is in place for rechargeable works. Any further time it is in place will be paid for by the Council.

Q - Also, why we haven't been able to provide independent quotes for our own properties and

Q - There is a lack of confidence that the contractors will deliver value for money for either the Council or the leaseholders

A - When a contract is of a high value such as this, we have to abide by EU regulations for procurement. This means that the tender had to be advertised in the Official Journal of the European Union. We issued an Invitation to Tender so that suppliers could officially apply for the opportunity. Only contractors with the ability to manage the whole contract were invited to apply; a smaller, local company would not be able to manage a contract of this size and value. We reviewed the submissions from all those who placed a bid and narrowed this down to five contractors. We then interviewed them, marked their submissions stage by stage and viewed similar works they have completed around the country. Eventually, we concluded the process by awarding to the two companies who received the highest scores. We did not choose them due to the cost alone but were particularly pleased that the two contractors who scored highest in all other areas happened to also be the cheapest by around £10 million. Although some individual works would be cheaper with a local company, the overall cost would be higher and we would have to manage each individual contractor resulting in a vastly inflated management fee.

Q - Hello , Why are there no costs put against any of the contracts, ? In your notification of contract awards you refer to costs being unknown, well after all this consultation regarding works and who to let them to who assesses the costs? it would be an open cheque for the contractor, and it wouldn't be the council paying would it?. What rights have the leaseholders to challenge this?

A - The contractors won the contract based on a tendered schedule of rates. As the surveys are conducted throughout the programme, this schedule of rates is used to

calculate the individual estimate of each element for your building only. Once the works are completed and signed off, we will feed in the re-measured items which will then give us an accurate cost for each element.

We currently have around 3850 flats which are affected by the MRC of which 1287 are owned. We are therefore not only responsible for the cost of the works to around 2/3 of our flatblock stock, we are also not recharging for items such as the door entry systems, cable tidying, filling and repairing holes to external walls due to works in a property, ramps for the purpose of complying with the Disability Act and anything which we consider an unreasonable recharge due to it not being a necessity. We expect that this will result in around 75-80% of the costs being covered by the Council for these works.

Should you wish to challenge the works or the costs, you are perfectly entitled to do so. We encourage feedback from all residents as we go through this process and implement changes as and when required as a result of this feedback.

Q - Why do we not by now know what refurbishments are planned for our block and what the cost will be? Surely all the refurbishments should be planned and costed before the contracts are awarded for the work so the best price can be obtained? Q - If not why not?

A - The contract was awarded based on archetypes only as a full survey of each of the 550 blocks would be very costly and time consuming and not reflective of the condition of the properties in 5 or 6 years' time. The contractors bid based on their tendered schedule of rates so we know how much one of an item costs or how much a set measurement of an item costs. We then survey your property nearer to the time of the works and estimate the number or measurements and calculate based on the aforementioned tendered schedule of rates.

Q- There seems to be a big variation between similar style blocks as to the works planned or required, why is this?

A - Blocks of a similar style will not necessarily require the same works. We look at the age and condition of every element to ensure that we are not doing any works unnecessarily. We also assess the repairs history which will be different for different blocks. An end block will experience weathering in a different way to a more enclosed block and there may be small differences in materials should items have had large repairs over the years.

Q - How does the council assure itself that the quote is competitive, accurate and that all the work is required?

A - We have determined the need for these works based on both age and condition. Only works that are necessary to the block are being recharged to Leaseholders. Overall, the two contractors who won the contract were around £10 million cheaper than their nearest competitor and doing the works in this manner allows us to

recharge a very minimal management fee, keeping the leaseholders costs down wherever we can. As we are paying for around 70-80% of the overall costs of the contract, value for money is also very important to us and we have procured the contract in line with the legal requirements of OJEU procurement law and the two cheapest contractors won.

Q - why are there 13 different costs for scaffolding and then another weekly charge for safety and maintenance for scaffolding?

A - We have broken down the costs of the scaffolding as requested by leaseholders.

Q - Others spoke of confusion regarding double-glazing: Can leaseholders refuse this refurbishment? Another spoke of an unreasonably high quote for replacement windows directly from the contractor

A – Leaseholder windows are not a part of the contract as they belong to the leaseholders. All leaseholders have the option to request a no obligation quote which we can then progress for them if they so wish. If a leaseholder would prefer to source their own window company, they are of course entitled to do so. Leaseholders will need to request our permission before making alterations.

Rechargeable items

Q - I am writing with regards to the upcoming Major Works taking place in Roundmead as of October 2019.

The estimated breakdown received is showing my property apportioning to 1.1% of the total bill for 96 flats. There a few items I do not believe I should be paying towards on this, as detailed below.

One of these examples is the front door. I feel it is unfair to have me pay towards the value of all the front doors that need replacing. Before I moved in, I was informed that it was a legal requirement by the Council that my door adheres to the fire safety regulations. Luckily the previous owners had already installed a door, that was offered by the council at a reduced rate, when advised to. So why should i pay towards someone else's replacement door when they legally should've already done this?

A - There is no recharge in any Leaseholders estimate for front doors of any other property.

Q - Replacing the windows is also of concern. Although I do not dispute needing new windows, I do not agree with the fair splitting of the cost across the 96 flats. I have significantly less windows (and no back door) compared to those who live on the lower levels. I feel this cost should be split in line with the works that need completing for each individual flat. If you could provide evidence of how this cost has been split between the properties, or if it was just pro rata'd, it would be much appreciated.

A - There is no recharge in any Leaseholder estimate for windows on any other property. Should a Leaseholder wish to request a quote, we can arrange that obligation free.

Q - One question we have is about the costs of scaffolding, regarding the initial erection fees and then ongoing charges if the scaffolding is left erected for weeks/months and not used. As we have seen this happen on other blocks and heard the cost are really high. Is anybody from the council monitoring this?

A - Leaseholders are only recharged for the time that the scaffolding is in place for rechargeable works. We do not pass over any costs related to the time it takes to solely repair/replace tenant's windows or to do snagging. When scaffolding is first erected, it can appear that no works are being conducted immediately as we must wait for the results of the roof asbestos tests before any works are permitted. If you have concerns that the scaffolding is not being used, you can speak with your Resident Liaison Officer who will have the most up-to-date programme of works for your block.

Q - In view of the information at the links below can the Major Works Team please confirm that you will not be charging leaseholders for the installation of ramps & rails as we are not liable for these charges?

A - We will not be recharging for ramps where they are being installed for the purposes of adhering to the Disability Act only. Where ramps are required for the free movement of bins from the rear to the front of a building, this is a rechargeable item.

Q - We have another question we would like to have answered, one of the flat's we own is in a block with a 'chalet' style roof with flats on the 1st & 2nd floor having 'velux' windows which are in the roof, our flat is ground floor so our windows are in the walls, so we are responsible for the upkeep and replacement cost of these windows.

The question is, who owns the velux windows? The leaseholders or the council. Are the velux windows counted as part of the roof structure or not.

A - The Velux windows are considered a part of the structure of the roof. We would not be able to separate them from the roof as any works to repair or replace them would void the roof warranty if done by the individual Leaseholder.

Q - We would argue that the velux window's belong to the leaseholders and the roof is communal along with the flashing/tiles etc, around the velux window.

Therefore the cost of replacing the velux window units is the responsibility of the leaseholder and the repairs and roof replacement is a shared cost to the whole block.

Also the velux windows in the council owned flats should be the responsibility of the council and charged separately to the council and not included in the communal cost of the tiled roof repairs, obviously the velux windows on communal stairways count as communal costs.

A – see above also as with all of the works, the cost of these works is split between all properties within the block. Around 56% of the properties in this block or owned by SBC so we will be paying around 56% of the costs for this element of work.

Q - Before you started the major works programme on our block I challenged the roof being replaced and asked if there could be cheaper options – a survey done to see if some areas were still intact and would last several more years, or for instance if the underfelt etc could be replaced and the tiles re-used. I did say to Rebekah at the time that I felt as I had seen SBC replace all housing stock roofs across the town that you wanted to get the flats you owned properties in, up to the same level – she did not dispute this and said whilst the scaffolding was up it made sense to do the roofs at the same time as saved costs in the long-run – but that saving of costs is for SBC not leaseholders that have no intention of staying in their flats long-term. I feel that if SBC want to bring their housing stock up to scratch from the roof perspective then instead of dividing up costs for this they should pay this element as it is in their and not the leaseholders' interest to do so. We were given no proof that the roof replacement was essential and that it may have had another 5/10 years left - now with the Symonds Green situation of their roofs not being replaced it begs the question if this could have been the same for other blocks

A - When looking at each individual element of work, we have to consider both the age and the condition of the element before we agree whether it requires a repair or a replacement. A component that has exceeded the end of its design life in accordance with BCIS BMI Life Expectancy of Building Components and whose condition will lead to foreseeable failure critical to the performance of the structure is included within the scope of works. Some roofs do not require replacement which is why we have scheduled repairs works only.

Q - Can you confirm that some of the shoddy paint work carried out and other snagging will be completed before any money is requested – I would refuse to pay some of the bills if I had hired a contractor to paint my flat's hall and exterior it is appalling

A - Confirmed. Snagging is not a rechargeable item.

Q - and why we are being charged so much for scaffolding being put up months before any work is started?

Q - Also, no erecting scaffolds months prior to works commencement, and scaffold remaining for months after works completed, driving up costs for no gain. Also if scaffold has to be erected again because something is missed such a cost should **not** be at the leaseholders expense.

A - Leaseholders are only recharged for the time that the scaffolding is in place for rechargeable works. We do not pass over any costs related to the time it takes to solely repair/replace tenant's windows or to do snagging. When scaffolding is first erected, it can appear that no works are being conducted immediately as we must wait for the results of the roof asbestos tests before any works are permitted. If you have concerns that the scaffolding is not being used, you can speak with your Resident Liaison Officer who will have the most up-to-date programme of works for your block.

Q - Flats with own double/treble glazed windows are they to pay again? and if so under what ruling justifies this decision.

A - Leaseholders have the option to have their windows replaced if they wish at an extra charge. We do not include these in the works package as they belong to the individual property.

Q - Why is non essential work being carried out?

A - We do not recharge for any works considered unnecessary. There are many items not being recharged.

Q - If yes (can I refuse works), what sort of things ie window replacement etc

A – As per above individual Leaseholder windows are not included in the scope of works as they belong to the individual properties.

Q - Like, why are we being told our windows are extra cost when the paperwork we received shows windows are included in the cost?

A - The resident information pack shows that windows are included in most blocks but the cost sheet will show that a large sum of money has been removed from the estimate to reflect the fact that leaseholders will only be paying towards the communal windows. Council properties will often be having their windows replaced as a part of the programme which is why this is included in the pack which is available to all residents. The estimate that you receive will show a number of cost reductions/removals with an explanation in the 'How to read your estimate' document. As the windows of a leaseholder property are the responsibility of the leaseholder, we have no legal right to change them unless it is for health and safety purposes.

Q - Also, our front door?

A - The same as the above applies to the front doors of the properties. Where we find a leaseholder does not have the appropriate fire door, we will include that as an individual recharge to that leaseholder as this is a fire safety regulation.

Benefits to the leaseholder – added value

Q - In no way do I feel these works will add value to my property, up to the sum of £10,000, and I do not accept liability for these costs. I do not have this sum readily available and the thought of having to pay this cost is causing me deep distress. This will now disable me from being able to move properties as I will have no savings nor made any potential profit from the sale. This is a large sum and I do not know how you can expect anyone to pay this in full to receive the measly 5% discount.

A – We understand that large major works bills can be distressing. When you receive your invoice, you will be given the opportunity to meet with us on a one to one basis and discuss the payment options that are most suitable to you. Flats in this programme are still selling on the open market and we also have our own buy back policy which is applicable under certain circumstances. We recommend that all Leaseholders take independent financial advice as there may be options available to you from an external source.

Q - Does the council really believe the costs of the repairs are the same as the increased value to the property?

A - We spoke to a number of local Estate Agents prior to the contracts being procured and agree that the costs of the works may not be the same as any increased value to the property. However, all Agents agreed that the saleability of the properties would increase as a result of these works

Q - Many flats are now unsalable as the public are becoming aware of the refurbishment cost, the property values are potentially going to be affected, how are the council going to compensate the leaseholders?

A - Sales of flats within the Borough have slowed a little but they are continuing. These works are necessary for the integrity of the blocks and not doing these works would cause devaluing of the properties as the elements throughout the building began to fail.

Q - The council should consider giving Lease extensions on the lease in return for the investment the leaseholders are making on the councils behalf?

A – The council has a duty to ensure it recovers all income including the premium cost for a lease extension, which reflect the loss of ground rent.

Q - If more than 70% of the block is privately owned will the council could consider allowing the freehold to pass to the leaseholders?

A - Any block that qualifies for collective enfranchisement can make an application. Please visit the Leasehold Advisory Service Website at <https://www.lease-advice.org/advice-guide/ce-getting-started/> to see if you qualify and for an explanation of the process.

Q - If more than 70% of the block is privately owned will the council allow the block to opt out of the refurbishment program?

A - Whilst we remain the Freeholder of the block, we will continue with the programme and protect our asset.

Q - Will we receive full details of the contractor and the guarantees for future reference?

A - All warranties and guarantees will be available on request.

Q - Is the guarantee transfer to new owner if the flat is sold?

A - Guarantees and warranties are based on the property, not the person. They will remain in place no matter how many properties are sold.

Section 20, consultation

(Section 20 of the Landlord & Tenant Act 1985 (as amended by the Commonhold & Leasehold Reform Act 2002))

Q - I feel there will be a lot of other residents in the same predicament to myself, after receiving notice of these works and the costs breakdown.

As a final note, I would like to ask why the works begin so quickly (28th oct) when the observation period finishes the day previous? If many people make their concerns known, will these be taken into account in time, or even worked stopped (if needed), on such short notice?

A - We have not yet received an observation which would result in us stopping works on a block and it would be very unusual to do so. There have been many occasions where observations have resulted in us removing a recharge but that simply means that we still complete the works but do not ask any Leaseholders to pay for it. We have also adjusted the scope of works based on observations and feedback received at the pre-consultation events.

Q - We've been told that some residents in Symonds Green challenged their roof works needing doing. Does this mean we all have to climb up on our scaffolding once it's erected, to check out our own roof and get back to the council if we find it's on our schedule of works but disagree? How has that been allowed to happen to those residents in Symonds Green? And if they hadn't got up there the roof would have been replaced.

A - As is our duty, we paid due regard to the observations and did further, more intrusive surveys to determine the requirement for a roof replacement on these blocks. They were borderline which we would have discovered once the contractors were on site and would have removed from the works at that time. However, due to the observations, we made a decision to look into this earlier than normal. The residents have been informed that, although we are not replacing the roof now, we will be expecting to carry out these works in around 10 years time. At no point should residents be accessing scaffold.

Q - How much time are you allowing between proposing the work and carrying out the work? i.e. so that residents can arrange their own independent quotes if they want to. I keep asking for a consultation about the proposed works but I have heard nothing yet. The communication process has been very one-directional.

A - This consultation event has been arranged and invitations have been sent out. (All residents will receive an invite to an event nearer to the time their block has been surveyed). All residents can arrange for their own surveyors to attend the block at any time prior or during the works. However, we will not be able to consider the quotes provided by small independent companies as we have a very strict procurement

process to adhere to and have awarded the contracts based on best value for money and best proven performance.

Q - With large amounts being estimated???

Why have we had to fight for information from the council regarding to this project??

A - There have been a number of letters sent to all residents dating back to March 2017 regarding these works. Further to that, we hold leasehold forums and smaller, more specific consultation events nearer the time that the works are due on a block. There is a great deal of information on the website and all leaseholder have the details of the Major Works email address and telephone number should they wish to discuss anything not covered by the above. Prior to works beginning on a block, information is sent to all Leaseholders detailing the proposed scope of works and there is the opportunity to feedback accordingly. At around the same time, all residents of a block are met by the Resident Liaison Officer representing the contractors and given details of how to contact him/her should there be any concerns during the programme of works. Finally, at the point of invoicing, all Leaseholders are offered the opportunity to meet with a member of the Major Works Team to discuss their individual costs and the payment option available to them.

Q - Why has the council not been transparent from the start???

A – We are sorry to hear you think we have not been transparent. We are happy to provide information as soon as we have it Any information not available on the website can be requested from the Major Works Team.

Q - All flats should receive a pack containing the full detailed breakdown of the costs, estimates and the contractors.

A - All residents receive a detailed pack of the works as they are being managed by the contractor. The resident liaison officers can supply further information on a block by block basis regarding any sub-contractors that are being used. You can request a full breakdown of the estimated costs from the Major Works Team and a full breakdown of the invoiced costs will be supplied along with the invoice itself.

Q - Any work relating to health & Safety and fire regulations should be covered by SBC

A - We are recharging for works as per the terms of the lease. A number of other items are not being recharged .

Q - If a statutory consultee has not been involved or notified of the consultation; what is the process for them to appeal the decision of procurement?

A - We have been consulting with leaseholders since March 2017 in writing and prior to that at the Leasehold Forum meetings. Should you believe that you have not

received the appropriate consultation, please contact the Major Works Team to discuss this further.

Q - How are you ensuring that your consultation was robust i.e. that all the stakeholders have the capacity or ability to understand and interpret what they were told?

Q - Leaseholders broadly felt there is not enough general communications and updates from SBC despite the size and cost of the work

A - We met with TPAS (tenant engagement experts) prior to the project getting off the ground and they helped us to produce a full communications plan which extends across all residents, stakeholders and staff. This has been shown through our consultation events, our 2 leasehold presentations and our 'meet the contractor' event as well as the ongoing leaseholder meetings we hold for all leaseholders involved in the contract and quarterly at the Council offices. We also benchmarked other local authorities. The Section 20 process can be a little more challenging due to the requirement of the legal language but we send further information approved by our own communications team to help our leaseholders understand the details. We are also always available by both telephone and email should any leaseholder require any clarification.

We are continually reviewing feedback in order to make the appropriate improvements.

Q - A number of people suggested that consultation offered block-by-block is designed to 'divide and rule' leaseholder opinion and SBC seem to be unwilling to meet leaseholders in a forum to discuss broader concerns. SBC therefore do not seem to be open and honest and therefore how can they be trusted to do the right thing?

A – The individual consultation events are designed to give the appropriate time to each leaseholder to discuss the works to the flat block in which they live or own a property. This is the opportunity for leaseholders to feedback on their specific works and costs which we use to adjust the scope of works to their block only. Larger events have taken place for the leasehold community as a whole including 2 presentations, a meet the contract event and the leasehold forums. Holding a very large event is not an effective way of communicating and we prefer to provide a personal approach.

The Council's role – what we have done, what we do etc

Q - How can we have faith in what the contractors are saying needs doing? Which the council have approved as well. Does that mean they hadn't gone with the contractors on surveys of each block? I don't know one end of a drain from the other, how do I know if drains need doing? Or the windows, or the fences etc etc. If they look in tact, do we need to get independent opinions for everything?

A - The surveys carried out are by an independent surveying company before we then convene a panel in the office of members of staff from SBC and representatives from the contractors. We then consult with residents and take that feedback on board before we send out the Section 20 Notice of Estimates. Once this has been sent, all Leaseholders have 30 days to make observations and we make a final adjustment to the scope of works prior to the contractor attending the site. We conduct continual assessment of the works and the necessity for each item to be repaired/replaced and will adjust the final invoices to discount any works that we do not believe should be rechargeable due to them not being a necessary repair or replacement. All residents are entitled to seek an independent surveyors report if they wish.

Q - If they had kept the communal areas looking up to date over time would these massive repairs now need doing?

A - When looking at each individual element of work, we have to consider both the age and the condition of the element before we agree whether it requires a repair or a replacement. A component that has exceeded the end of its design life in accordance with BCIS BMI Life Expectancy of Building Components and whose condition will lead to foreseeable failure critical to the performance of the structure is included within the scope of works. If we had looked at these same elements ten years ago, they would not have reached this level and would not have required works. As the majority of the Borough was built around the same time, we know that a great many elements on a great many buildings are now reaching this critical moment and that is why we are only doing the works now.

Q - Are the staff on the Works Order Panel, comprising of staff from the Investment Team, formally qualified in surveying and building inspection to enable them to scrutinise the Surveys and make informed recommendations?

A - They are.

Q - What mechanism is in the Contract to ensure that any cost overrun due to un-approved additional work is not paid for by the Council & subsequently the lease holders?

A - Any overrun of costs has to be requested by the contractor and approved by us before works can go ahead. We will look into each request carefully before we approve if and when this situation arises.

A - Not one I can answer.

Q - Can you advise if the Government are contributing to your major works programme

A - There is no Government funding available for these works.

Q - why are some blocks getting estimates even though scaffolding not up yet? Even though quoted for a new roof!

A - This is an estimate based on a ground level survey. Costs are adjusted throughout the works and the final invoice will be for the works actually completed and rechargeable.

Q - Why are leaseholders not involved when contractors come to look to see what needs amending or up dating when we was told we would be involved .

A - All residents are invited to meet with members of SBC and the contractors to look over the proposed scope of works and to feedback to us prior to the estimates being sent. All Leaseholders then have a 30 day period from the receipt of the estimate to make observations and all feedback is used to redefine the scope of works where necessary before works go ahead.

Q - Why hasn't any maintenance been carried out for simple jobs like clearing gutters etc? It looks like this work is being added into the major works from reading about people's experiences. Do you not have a maintenance schedule in place?

A - We do not currently have a maintenance programme in place for any of our flat blocks and consequently no charges have been added to the service charges for this type of service. It is much more cost effective for us to clean or replace faulty gutters through this programme rather than wait until the scaffolding has been removed the contractors have left site before employing a further contractor to attend. In many cases, the contractors will be able to complete minor repairs alongside the clean or identify any larger repairs that may be required.

Q - How are the contracted works managed and assessed? How many quantity surveyors do you have checking costs and who is checking what works are necessary and how the work is carried out and what is schedule for these checks?

An independent surveying company assesses the work required at each block based on guidelines from the RICS building element life expectancies. These work packs are then reviewed by the Building Surveyors, the contractors and SBC Clerk of works, Project Manager, Programme Manager and Leasehold Major Works Officer. Each contractor is assigned one Project Manager from SBC and there are 3 Clerk of Works that carry out inspections at the blocks as the works progress. Each contractor also has their costs assessed on a monthly basis by an independent Quantity Surveyor appointed by SBC.

Q - Can we see some kind of before/after comparison of a couple of blocks where works that have already commenced? Some photos or a small document with costs. With the estimates I've heard discussed, it would be nice to see a demonstration of value for money.

We will work on providing this for customers .

Q - What KPI's (key performance indicators) or SLAs (service level agreements) are the contracts and contractors measured against?

KPI description
Client Satisfaction with Service Provider
Service Provider Satisfaction with Client
Complaints
Health and Safety
Predictability – Time
Overall tenant satisfaction
Predictability – Cost

Q - How are they measured?

A – Progress meetings are held on a monthly basis to review the programme. Each KPI has a matrix that feeds from information provided by both the contractor and SBC and identifies whether the status of the KPI is either; Above target; On target; Between target and MLAP or Below MLAP.

Q - Will resident need to leave their flats whilst the refurbishment is taking place?

A - We do not anticipate any residents being required to leave during the works although we will assess all individuals who are affected by a disability or who may be considered vulnerable and we have contingent plans to ensure that these residents experience as little disruption as possible. There may be some asbestos related works that may restrict access to communal hallways for a period of time whilst removal works take place, this will be communicated to residents before works commence.

Q - why have they not been maintained and why is all the work now being done in one go?

Q - Years of underinvestment and a woeful lack of planned maintenance on the blocks has forced the need for the MRC. Leaseholders cannot forget that they are having to fund a resolution to a problem not of their making, and this is always going to test our relationship.

It would therefore go a long way to simply be honest about the circumstances, allow leaseholders to have their say in the ways they chose, particularly about the fear of

being unable to afford the final bill when it arrives, accept criticisms can be valid and be as understanding and transparent and as flexible as possible when applying the MRC process.

Q - Unfair to offer loans with interest as it is the leaseholders that are funding the investment. The block should have been better maintained to avoid this situation are the council going to take responsibility and admit to poor maintenance, and compensate the leaseholders?

A - An ongoing maintenance programme would include elements such as gutter clearance and levelling of paving slabs. This would not prevent an element from reaching the end of its expected life and would not remove the need for replacement. When looking at each individual element of work, we have to consider both the age and the condition of the element before we agree whether it requires a repair or a replacement. A component that has exceeded the end of its design life in accordance with BCIS BMI Life Expectancy of Building Components and whose condition will lead to foreseeable failure critical to the performance of the structure is included within the scope of works. If we had looked at these same elements ten years ago, they would not have reached this level and would not have required works. As the majority of the Borough was built around the same time, we know that a great many elements on a great many buildings are now reaching this critical moment and that is why we are only doing the works now. Staggering the works would increase the cost of the individual elements and be logistically detrimental to the Borough as a whole. An enveloping programme is the most cost effective proposal as we will all benefit from the economies of scale. It also allows us to complete all 550 of our flat blocks in a timely manner with the least disruption to neighbouring properties and the general infrastructure of the Borough.

There have been a number of letters sent to all residents dating back to March 2017 regarding these works. Further to that, we hold leasehold forums and smaller, more specific consultation events nearer the time that the works are due on a block. There is a great deal of information on the website and all leaseholder have the details of the Major Works email address and telephone number should they wish to discuss anything not covered by the above. Prior to works beginning on a block, information is sent to all Leaseholders detailing the proposed scope of works and there is the opportunity to feedback accordingly. At around the same time, all residents of a block are met by the Resident Liaison Officer representing the contractors and given details of how to contact him/her should there be any concerns during the programme of works. Finally, at the point of invoicing, all Leaseholders are offered the opportunity to meet with a member of the Major Works Team to discuss their individual costs and the payment option available to them.

The majority of the properties in our flat blocks are Council owned so the majority of the payment comes from the Housing Revenue Account – we are looking to spend on around 80% of the final cost of this project.

Q - Are the refurbishment works being partly funded from central government?

A - There is no Government funding available for these works.

Q - How will you protect the tenants, leaseholders, and public from the health risk associated with asbestos removal?

A - The contractors observe all HSE regulations and will discuss with all residents any procedures based on the type of asbestos, the location and the risks determined. This will vary block by block.

Miscellaneous

Q - Is SBC able to adopt the way of working detailed in the below (copied from Brent council's website) as currently there a lot dis-satisfied leaseholders ?

A - The information appears very similar to the way we are working. It is not clear which points we are being asked about. If you can please clarify as we are happy to discuss.

Q - But most of all how about a budget and each section of works costed, and programmed to a period.

A - Not sure we understand the question here, please clarify as we are happy to discuss.

Q - Also, why are we still paying cleaning and maintenance when there has NOT been any done since the scaffolding has gone up?

A – Once each year has ended we look at the services that were carried out during the year and we will calculate the costs accordingly, the difference between the estimate and the actual cost will be applied to your service charge account.

Q - And personally I expect those leading the MRC to make themselves known to leaseholders and take more responsibility going forward.

A – The drop in events are an opportunity to meet MRC team.