

# Better homes, major works, repairs and maintenance

Evidence from Councillor Sian Berry to the Housing Scrutiny Committee, January 2015

## Relevant documents:

Update report on Decent Homes, repairs and Leaseholder Services recommendations:  
<http://tinyurl.com/ozf75s5>

Previous Leaseholder Recharges Scrutiny Panel report:  
<http://democracy.camden.gov.uk/ieListDocuments.aspx?CId=477&MId=4367>

Dossier from Councillor Maya de Souza submitted to the Leaseholder Recharges Scrutiny Panel, based on evidence gathered from research interviews with tenants and leaseholders in Highgate Ward: <http://camden.greenparty.org.uk/news/dossier-on-housing-repair-and-regeneration-issues-in-camden-%28june-2012%29.html>

## Context

The Housing Scrutiny Committee has asked for the views of tenants and leaseholders on decent homes, repairs and leaseholder services, and on recent and planned improvements to services. It has also asked for the views of Councillors and experiences with casework and major works in their wards.

This document sets out briefly some issues experienced recently in Highgate Ward by Councillor Sian Berry and her predecessor Councillor Maya de Souza, as well as some recommendations for further changes to the management of these services.

It also restates recommendations from the 2012 dossier produced by Councillor de Souza, which was submitted to the Leaseholder Recharges Scrutiny Panel.<sup>1</sup>

Recent and current projects in Highgate that have informed this evidence include:

- Whittington Estate external works to steps, pathways etc (completed)
- Holly Lodge Estate external works to communal areas, stairways and lifts (underway)
- Whittington Estate Better Homes work to kitchens and bathrooms and electrics (underway)
- Highgate Newtown central heating system replacement (in planning)
- Brookfield Estate blocks heating replacement (in planning, start date unclear, awaiting update)

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<sup>1</sup> <http://camden.greenparty.org.uk/news/dossier-on-housing-repair-and-regeneration-issues-in-camden-%28june-2012%29.html>

# 1. Proposals related to procurement, project management and value for money

## More hands-on project management from council officers

In our recent proposals for Camden's budget, we asked for more qualified surveyors and project managers to be employed by the council to oversee works.<sup>2</sup>

This was based on recent experience in Highgate Ward, and we pointed out the use of surveyors to manage contracts in works to communal areas on the Holly Lodge Estate – after a group of residents insisted on this - led to dramatic cost savings. **Compared with the original estimate of close to £80,000 for this block, the final outturn cost was just over £35,000 – approximately a 50% saving.**

The new contract was slightly reduced in scope, as some electrical work was found to be not needed, and this illustrates another way that a more hands-on and individual approach can help reduce costs over a 'one size fits all' approach that leads to work being carried out in a standardized way that doesn't consider the need for works in enough detail.

There is clearly the potential for a strengthened role for the Clerk of Works team and considerable cost reductions when contracts and delivery are given more individual attention, and we have proposed that additional project managers and surveyors are employed to provide:

- Detailed specification of works, including reviews of need
- Engagement and liaison with residents (see next section)
- Oversight of works, and trouble-shooting of problems
- Expert checking of quality

## Smaller contracts

The large partnering contracts, with Apollo and Lakehouse especially, continue to frustrate residents, several of whom have told us they are concerned the Council has no choice but to use the same contractors for works, even after experiencing problems with previous projects – the Whittington Better Homes and Highgate Newtown heating system projects are particular examples of this. Residents have also said that they would rather see smaller contracts and procurement made on a more individual and transparent basis.

Though there have been some changes to procedures in the new procurement strategy, a more concerted switch away from large, long-term partnering contracts and towards more regular procurement from a range of suppliers, and for smaller blocks of work, is needed. This would also help make projects more manageable, and easier to scrutinise by residents.

This approach would also offer more chance to vary works according to need, and allow for the phasing of major schemes, and reviews of the quality and value of contractor work at each

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<sup>2</sup> Camden Challenge response from Camden Green Party, December 2014  
[http://camden.greenparty.org.uk/assets/files/localparties/camden/Camden\\_Green\\_Party\\_Initial\\_budget\\_ideas\\_De c2014.pdf](http://camden.greenparty.org.uk/assets/files/localparties/camden/Camden_Green_Party_Initial_budget_ideas_De c2014.pdf)

stage. All of these differences from the model currently employed have the potential to improve value for money, and to improve relations with residents, as the next section sets out.

### **Bringing services in house**

For repairs, this has been recommended previously and looked at by the report to the current committee. The updated response says:

*“During the development of the strategy officers evaluated the options available and concluded that the in house team would not have the capacity at present to undertake additional workstreams.”*

We believe this decision should be reviewed and reconsidered as soon as possible. Particularly for repairs, there are long term benefits in having a locally knowledgeable, well-trained workforce, including the ability to employ more apprentices and to maintain ethical workforce practices.

Other services should also be considered for expanding in-house teams as well. For example, something similar to Camden’s previously renowned architecture team could make a huge difference to the development of our regeneration programme and CIP.

### **Terms of payment**

The cost of major works on the Highgate Newtown heating system is considerably more than any previously carried out in my ward, with some leaseholders facing estimated bills of more than £20,000. With many leaseholders still first-generation right-to-buy owner-occupiers and on relatively low or fixed incomes, this is a very high burden and likely to be unmanageable for some residents unless they receive some help in managing the cost.

At a recent local meeting, a request was made for the council to allow a longer interest-free period in the payment terms for these high cost works. Cabinet member Councillor Sally Gimson and I both agreed this would be helpful, and possible given the low rates at which the council can borrow compared with residents, and I urge the council urgently to look into providing longer terms of interest-free payment for works above a certain cost level.

### **Repairs**

On repairs, residents have also expressed – both in 2012 and more recently – concerns about the terms of the contract and the performance of contractors.

Recent casework has brought reports of large numbers of site visits before repairs are carried out, even for simple issues, and concerns from residents that attendance fees are being exploited, and that works are being carried out when they are not needed, with poor quality work also leading to repeat visits.

Councillor de Souza raised concerns about a number of specific repair cases in Highgate Ward that will be familiar to officers, including on Chetwynd Road and the Brookfield Estate.

Right First Time is a good initiative but has not yet fully solved these problems. Contract terms may still not be giving enough of an incentive to solve problems thoroughly the first time round.

## **2. Feedback on consultation and engagement before and during works**

Processes of consultation are very variable, in our experience, and have improved in several cases only after the intervention of councillors to help set up steering groups and other consultation processes.

Officers concerned often work very hard, but problems still remain in communication, even when steering groups are in place. Letters and updates are often not provided on a regular basis to all residents. On the Holly Lodge Estate, for example, the steering group has been expected to keep residents informed, but do not have the same resources as the council to send letters to all residents, or access to databases of names and addresses.

The council needs to be careful to keep residents informed across the board and should make use of a wider range of communication methods and increase staffing levels to provide this.

Newsletters through the doors of all residences, as well as dedicated project webpages, and email newsletters with pro-active collection of email addresses are all underused in our opinion (for example, we believe that invitations to join a project update email list could be sent out to all residents whose email addresses are known by other council departments without breaching data protection rules).

### **Make better use of councillors, TRAs and area action meetings in consultation processes and updates**

Councillors and their political party colleagues spend a lot of time engaging with residents in the ways outlined above, and also hold regular joint 'area action' meetings, which are publicised locally.

Similarly, TRAs work on a wide range of issues with residents all year round and are an ideal channel for consultation and spreading information. However, reports from recent Better Homes work on the Whittington Estate show that the TRA there was not kept informed or used helpfully in planning or co-ordinating these (very major and disruptive) works:

*"The TRA has not been involved in this programme or its consultation.*

*"There have been no discussions in advance on an individual level, and there is no representation or organisation by Camden or residents panel as described in the documentation sent to tenants.*

*"This lack of engagement is woefully inadequate considering the scale of the works and impacts negatively on both the tenants who's homes this effects and leaseholders who stand with them"*

All these channels could be more widely used to help keep residents informed about upcoming works, as well as making better use of residents as a resource to monitor the performance of contractors while works are taking place (see proposals for more use of resident panels

below). However, in our experience, councillors often first hear about works (especially smaller contracts) from residents when problems occur.

With more help - and more effort from both councillors and officers - our networks could be much more profitably used for proactive engagement with, and feedback from, residents.

One issue is the format in which information is made available. Although there are various internal resources online for councillors where we can look up information related to better homes, CIP and other works, these are not always user-friendly or presented in ways that we can easily digest and send them to residents. Often there are large pdf documents to download containing tables of information going far into the future, whereas we are interested in knowing about and sharing the latest timetables for works in the next year or two at most.

Officers could help us engage residents better by providing a regular update on works in our wards, including progress with current projects, the stage of planning for future works, and plans for engagement with residents, in a form suitable for sharing in our printed and email newsletters to residents.

### **More transparency in details of options and tenders**

Residents often report a lack of transparency in the details of different options considered, and problems with obtaining copies of tender documents and planned works to residents when they ask.

Questions of 'commercial confidentiality' are sometimes raised by officers, but in the case of tenants and leaseholders inspecting the details of planned works to their own homes, this consideration should really not apply. In our opinion, the council needs to look at residents in these cases as clients of the contractors and provide them with full transparency of all documentation, including receipts (this was also a recommendation of our previous report).

### **Earlier and more regular estimates of costs (with clarity on uncertainty)**

While engagement on the Highgate Newtown heating works was much improved after the steering group was established, many residents were shocked and surprised to receive the 'notice of intent' documents from Leaseholder Services recently, outlining the expected costs to each household.

In this document, it was revealed that the cost of the project as a whole had increased considerably since the first broad estimates were provided and, as a result, residents are asking why this escalation was not revealed earlier - when the re-evaluation of the value for money of different options - including making more use of sustainable options such as green energy or combined heat and power, might have been possible.

Again, this difficulty (including the chance to look at other options) could have been reduced with better communication and an earlier estimate of costs. We appreciate the difficulty of providing firm estimates at earlier stages of planning, but with clear communication of uncertainty and the possibly range of values, the shock factor now being felt by many residents could have been avoided.

A detailed response from one resident of the Highgate Newtown estate has been appended to this document, with her permission, and illustrates the reaction of many residents to the recent Notice of Intent letter.

### **More co-ordination in communications from project managers and leaseholder services**

Again referring to the Notice of Intent above. Looking through this as a ward councillor, I was struck by the focus only on legal/financial matters and the lack of reference to the large amount of engagement that has recently taken place and agreements that had been made by the steering group.

Coming as the first communication on the project many residents will have had for a while, it would have been much better to include a covering letter from the project team with more user-friendly information on the project timetable.

Although a public meeting was organised for residents as a follow-up to the letter, only around 60 were able to attend this, and the letter left unanswered many questions that were brought to the meeting, but which could have been answered immediately with more co-ordination between the departments.

Issues that had been discussed at various steering group meetings, exhibitions and drop-in meetings, which were not included in the letter include:

- the previous consultation on options, and why the chosen works were being progressed
- the existence of the steering group and a point of contact to join it
- details of the 'opt out' available for leaseholders from internal pipe and radiator work, and the financial implications of choosing this (crucial information for leaseholders who are considering providing their own systems beyond the common system's heat exchanger)

### **Tendering smaller contracts to widen choice for residents, and reduce unnecessary works**

One difficulty noted on a number of large projects covering multiple blocks, has been the need to find a common specification to suit all residents. With large numbers of households involved, this creates problems of effective consultation and communication as well as in finding a solution with which everyone is happy. Residents also feel that having to fit in with a solution suitable for everyone effectively reduces their own level of choice and agency.

Breaking up contracts into smaller blocks would reduce these problems, and we believe would make it easier to provide residents with works they are happier to pay for, as they would have more of a stake in the choices made.

It could also help reduce the number of unnecessary works carried out, as shown by the example given above of a block where electrical work needed in some blocks was found not to be needed when an individual surveyor was appointed to the project (perhaps due to a more recent refurbishment or repair than on other blocks).

With reference to the Better Homes kitchen, bathroom and electrical work currently taking place on the Whittington Estate, this is illustrated by a comment made to council officers by the TRA chair, who had co-ordinated a residents meeting in response to complaints and compiled a long list of problems with implementation (see below for more examples).

Residents there were informed by contractors that:

*“Apollo are stating that ALL ELECTRICS NEED REPLACING without exception.*

*“Apollo are also are stating that they have survey information which proves that all electrics are unsafe and as such need replacing.*

*“No surveys have been carried out by Apollo, and residents are very concerned that if these works are not carried out that their homes are unsafe.”*

This also echoes some of the comments made to our researcher previously, e.g.

*‘They ended up re-tiling every balcony because there were one or two that needed it. Mine was fine, but I had to have the builders in anyway.’*

### **More hands-on project management from council officers**

People have reported being unhappy at having to deal directly with contractors and subcontractors during works, and that they feel these people are less accountable to them, and are often unwilling to engage and sometimes rude or unhelpful.

From our previous research in 2012:

*‘We never know who is the right person to speak to about repairs. The Council tell us it’s Apollo (the contractors), and they tell us to speak to the Council. It is so frustrating taking up hours of my life just to find out what is going on.’*

*‘We get contractors and sub-contractors... and very often they don’t know what they’re supposed to be doing. They turn up at the front door and ask us what needs doing?’*

And some examples and suggestions from the notes provided by the TRA on the current Better Homes work on the Whittington Estate:

*“Workmen are not introduced to tenants, who do not know who they are when they allow them into their homes.”*

*“Men are arriving in residents home and commencing work without conversation or explanation of the works they are about to carry out/ ie the stages that they will go through, and in what order, leaving residents unable to prepare.”*

*“A resident was left without a kitchen over the weekend. It has been said that when they complained they were treated rudely by Apollo who accepted little responsibility and had no sympathy for their circumstances.”*

*“The general consensus that Camden Council have neglected this contract, have approved a specification and approach substantially beneath what is both deserved and expected, and are simply leaving their tenants, without any support, to manage bullish and threatening Contracting company who have no regards for them or their homes.”*

*“Project managers need to come and confirm works with individual tenants the morning that work starts; residents need to be given clear time schedules for the works in writing.”*

The value for money benefits of more hands-on project management and supervision from Camden are proposed in the section above, but there are clearly also a number of advantages for communication and consultation in taking this approach.

These include providing a single, expert point of contact with the council during all phases of the project, and someone to approach with concerns, other than the TRA and local councillors.

### **Site offices and resident panels for major works**

Finally, and again with reference to the current Better Homes kitchen and bathroom work on the Whittington Estate. When this work began in October, there were a wide range of immediate problems with the works, many stemming from communication, but others involving the quality, timing and extent of the works.

One result of this was the opening of a site office on a regular basis, where residents were able to take concerns in person and receive help and support. This appears to have made a difference, and most residents I have spoken with recently have made use of the office and are much more content with the process.

The use of on-site project management staff during major works should be repeated wherever possible, with clear opening times and alternative methods or contact outside these times for trouble-shooting. The availability of this service should be clearly advertised and information given to residents by contractors at the first point of contact before works begin.

In addition, much more widespread use of resident panels - with regular meetings to review progress, quality and iron out problems - should be set up in advance of every case of major works. Although the current report says these are being used we have not yet seen this taking place in Highgate. With smaller contracts and more block-by-block work, these panels could consist of all residents in a block, with everyone invited. In the case of larger contracts and smaller estates, the TRA should be the first point of call for setting these up.

## **3. Previous recommendations**

The recommendations of the 2012 dossier produced by Councillor Maya de Souza are all still relevant, in addition to the more recent evidence and suggestions given above. At the time, these recommendations were not all reflected in the report produced, although some similar proposals are now included in the progress report to the Housing Scrutiny Committee.

Our full recommendations are copied below and all are still very pertinent and should be considered by the committee now. Those recommendations we think remain to be considered or implemented by the council are highlighted with \*.

**1) Thorough review/audit of the Council's current repairs, maintenance and capital works arrangements** – The Council's own report notes that one in five leaseholder charges are inaccurate, while both tenants and leaseholders have grave concerns about quality control functions in relation to contracted works. It seems clear that a review of procedures, conducted from outside the Housing and Social Care department, would provide an opportunity to identify

areas in which staff responsible for repairs and charges are in need of additional support and resource, and to regain the trust of leaseholders. If the “Right First Time” project has done this, the review has not been open and transparent as residents were not aware of this.

**\*2) Publicly available ‘Tenants and Leaseholders Charter’** - Guidelines for all works and charging processes on Council-owned properties, based on certain minimum standards that the Council would guarantee. This should be published in plain English and made available to all residents. All contractors and sub-contractors would also have to commit to the terms of the charter. Minimum standards could include:

- a) restated **commitment to acknowledge queries** within two working days and respond within 30 working days
- b) **commitment to minimise disruption** by co-ordinating works. This could include a guarantee of either i) maximum imposition on leaseholders (in terms of days taken up by works) and/or ii) minimum gap between works
- c) **a cap on annual management costs**: this would encourage the Council to reduce bureaucracy and counter the perception that the management charge is a mechanism for extracting money from residents
- d) **full publication of all receipts** for contracted works, plus terms of guarantee
- e) **provide clear record of what works entail(ed) and precisely where they are to take place (or took place)** – perhaps earmarked on an estate plan – on itemised service charges, so that residents can assess the quality and value of works for themselves
- f) **automatic refund for all residents who paid successfully appealed charge**, rather than just those who appeal
- g) **compensation for failure to keep appointments** when residents are required to take time out of their lives to provide access to buildings.
- h) **no management cost applied to successful appeals of charges, or to queries** – otherwise there is a strong disincentive to complain taking away the pressure on officers to raise their standard of performance
- i) **all refunds to be credited to the account from which they were originally taken**. For example, if a service charge is refunded, it should be returned to the service charge account, not the major works account, and vice versa
- j) **Proper review system** – independent verification of all contracted works to ensure that the terms have been fulfilled, and all guarantees secured. This could be complemented by an annual check-up of all council-owned buildings in order to identify preventative measures rather than more costly repairs. The annual check-up could be integrated into regular health and safety maintenance (eg on heating systems) in order to reduce costs
- k) **Set out a clear set of criteria for works to be authorized**: these criteria should relate to the necessity of the works and a proper options appraisal
- l) **Provision of a named person for contact about the works** - for the duration of the project and thereafter,
- m) **States that decisions by the LVT will be published** and taken on board in future decisions.

**\*3) Transition to an area/estate based system for repairs and maintenance** – a federated model whereby specific teams or individuals across Camden would have responsibility for particular estates or areas could replace the current repairs helpline. This would introduce clear accountability for repairs and maintenance, rather than the current centralised. Residents are likely to have more trust in a consistent point of contact, and a team or individual ‘on the ground’ is likely to be more successful in proactively identifying a need for repairs or maintenance works, rather than reacting to comments from residents. This may appear to be a move back towards an area based system. In our view, this must be considered.

**\*4) A stronger role for Residents** – there is some potential for the five DMCs in Camden to be given a central role in managing the repairs, maintenance and capital works processes with support from the Council,. This is best done through DMC working groups possibly constituted for the particular estate, as the agendas of full DMC meeting are very full. As long as the sub-group was representative of leaseholders (who have a more direct financial interest) and tenants who are also very much affected by poorly co-ordinated and poor quality works, this could be effective. The DMC working group members would stand to benefit from any works undertaken, but they are also liable for the costs and suffer from any substandard workmanship. Therefore, they have a strong incentive to manage costs efficiently, and to procure, manage and supervise works in a way that will guarantee high standards. As such, the involvement of DMCs in drawing up procurement documents, considering tenders and overseeing performance could be vital to improving some of the problem areas highlighted in this report, and restoring the faith of residents in management of their buildings and estates.

It is important to note that many residents lack the confidence to join formal bodies such as the DMC. These tenants and leaseholders also need to have their voices heard with regard to building works that affect their homes. This could be done, for example, by an annual satisfaction survey or a 'trip advisor' style web database for leaseholders, whereby residents could comment on the quality of contractors. This information could be used for future procurement processes.

**5) A review of the balance of funding of maintenance and capital works** – consideration needs to be given to how funding could be increased for maintenance works. At present there appears to be a tendency to underspend on maintenance leading to high capital costs at the expense of leaseholders, tenants and the Council as a whole. Maintenance programmes should be made public.

**\*6) Examine potential in small blocks/buildings for transition to commonhold model** – As a leaseholder representative body argued to the GLA hearing on leaseholder services, 'the freehold system in this country is an historic anomaly, a feudal system that must not be allowed to continue.'<sup>[10]</sup> Where there are large estates with many tenants, this may not be practicable but for smaller blocks it may be. The Council should consult with residents regarding a move to a commonhold system and the transfer from one system to another as leases expire. This would remove direct responsibility on the part of the Council for the management of blocks of entirely leasehold properties and would give current leaseholders both a greater stake and a stronger say in improvements to their buildings or estate. In cases where there is mixed tenure, the Council would still have a say. Such a system is most likely to work in single blocks or small estates, as otherwise the co-ordination amongst leaseholders would become onerous.

**\*7) Ensure that sustainability considerations are fully integrated into the system for planning repairs and regeneration** - this means looking to include other changes at the time of major repairs as this keeps costs down. For example, in the Spencer- Churchill Estate, some forward planning should have enabled the Council to take advantage of the generous PV feed in tariff, when it was repairing roofs and windows. Residents should also be allowed to choose for example higher specification windows, if they are prepared to pay the extra costs. And government schemes like the ECO and the Renewable Heat Incentive should be fully exploited in relation to all works.

**Councillor Sian Berry**  
**January 2015**

## **Appendix**

### **Email response from resident to Leaseholder Services, following the Notice of Intent letter about the Highgate Newtown heating replacement major project.**

Reproduced with permission

Sent 30/12/14

Mr Gareth Chew, Consultation and Final Officer  
Leasehold Services

The consultation pack that has been sent out by Camden is an **incomplete notice** as it does not cover one of the options for implementation, the Opt-out, agreed with leaseholders and Camden Councillors during previous discussions. This opt-out was again reiterated at the drop-in session arranged by Camden. **We therefore consider this consultation to be invalid and that the consultation period has not formally begun, as we do not have all of the information required to understand the proposal and misrepresents the proposal for leaseholders/freeholders.**

In order for the consultation pack to be a complete notice we believe the following points and responses should be covered in the documents:

#### **Value for money:**

- Leaseholders are shocked by both the total project cost and the amount they are being asked to contribute. Various building professionals on the estate have explained that they would expect much more of the system (PV's or other renewables and heatrecovery etc) for this kind of cost. Therefore, leaseholders will need to see much much more detail of the breakdown of the costs and the third party benchmarking.
- How is value for money reviewed and audited?
- Given that the proposal estimated cost appears to have increased significantly over the last six months, residents require a reappraisal cost benefit analysis against other original strategy options and the running costs/lifetime costs to establish if value for money has been achieved.
- Are there mechanisms in the framework agreement to ensure prices are within a reasonably competitive range?
- Is there a total project cost limit on the framework where the project must go down an OJEU competitive tendering route?
- At the general meeting Camden agreed the principle that the service charge would decrease as a result of the greater efficiency of the proposed system. While the service charge is a different matter to the cost of the proposed works, this reduction would offset some of the costs to leaseholders and is therefore of interest to leaseholders as part of this consultation.
- Should more sustainable strategies have been considered to make use of funding grants?

#### **Amount payable by leaseholders/freeholders:**

- Residents will want to see evidence that 'Florrie's Law' is not applicable. Even if this is not applicable, the spirit of the law is valid, where it is unreasonable to charge over £15,000 for maintenance and repair works. Indeed Councillor Fulbrook has made it clear in previous meetings that a £20,000 ceiling has never previously been passed for works. If referral of this matter to the local Councillor is required, please do so and submit their response to this query.

- While Camden noted that individuals circumstances would be taken into account, residents are rightly concerned that Camden should have an understanding of the average income of residents to establish a baseline for what would be a reasonable amount to charge, over what period, and without this Camden cannot be deemed to have fulfilled their requirements to be fair and reasonable.

- It appears that the gross estimated liability is based on estate-wide costs and block costs including contributions to installation in all dwellings. We understand we should pay a proportion of overall estate and block costs for getting the pipes to the front door but leaseholders shouldn't pay for any of the installation costs of inside each dwelling. Please provide detailed information to clarify this.

- Is the rateable value of a council owned property the same as a equivalent leasehold property? Please provide a detailed breakdown to make this clear.

- Greater clarity is required as to the contribution formula in relation to the size and number of units and the % given for block and estate costs.

- The apportionment percentage assumes the leaseholder is to cover the full costs of their rateable value proportion of costs for the procurement of centralised elements of the system. Although leaseholders will enjoy the benefit of the system in operation they will not enjoy part ownership of the system - this asset will be owned by the freeholding authority - and therefore it is considered unreasonable that the freeholding authority makes no contribution in recognition of this. Terms of the lease state that the leaseholder has an obligation to make **a contribution to the upkeep and maintenance of the heating system - not meet the full cost of their part.**

#### **Repayment queries:**

- Re: Interest free repayment scheme ( which currently stands at a max of 36 months for anything over £10k). This should be extended - suggested period 10yrs. Residents are expected to pay upfront for a system that will last 30 or so years and hasn't been looked after in the past. This seems unfair given the lifetime of the system and the interest-free period should be extended to reflect this and the high contribution figures.

#### **Scope of works:**

- The documents note that residents have a 'right to inspect' the proposals. Where is the full tender package and breakdown for review? We have requested this information previously and believe it would be better if copies of the proposals were issued to residents as part of the consultation and related to a more detailed specification/break-down of the works to allow residents to understand what they are being asked to contribute towards.

- At the general meeting there was some mention that along with the heating replacement, domestic hot water is also going to be replaced. This was never part of the scope of works or part of any discussion to date. Please confirm that the works are for heating replacement only.

- Please confirm whether the scope of work includes the Dartmouth Park and Raydon Street properties.

#### **Opt-out**

- The information provided does not acknowledge the option offered to leaseholders during consultation to install their own local heating installation to be connected to the new central system - what part of the costs would be omitted if residents opt out?

- Please explain the ramifications of this on the costing?

- Please explain the scope of work residents would have to provide if they opt-out as there is widespread confusion.

- How is the opt-out going to work in practice? How will the works take place? It was promised at previous meetings that leaseholders/freeholders would have time to prepare their 'opt-out' works.

- How will the lease and insurances be altered to cover the change in responsibility?

### **Cost breakdown queries:**

- This is an estimated cost - what is the mechanism for controlling costs?
- Is the contractor price a lump sum fixed price? If not, why not, given that residents have been assured that a detailed tender pack has been prepared.
- What incentives are there for the contractor to deliver on budget?
- What damages for delay and underperformance are there?
- What do the entries for 'variable fee' and 'adjustment' relate to - currently shown as zero.
- What is the information that the contract sum has been estimated on? What mechanisms exist to prevent escalations in cost being passed on to leaseholders? Leaseholders firmly believe there should be a cap on their proportion of the costs.
- Define Builders Work in Connection - this is vague and could be subject to change/risk of cost overrun. Should this be part of the installation costs relating to making good?
- Define the scope of works for above ground, below ground, upgrading gas and energy centre and where this is defined in the cost breakdown.
- Why are prelims 0%?
- What is 'adjustment for split packages'?
- Contingency - what's the status of this - contractor-side, client-side and mechanism for signing off?
- 0% Supervision fees - who is relied upon for quality control / inspections?
- Indirect costs don't seem to cover any quality control? Is the 10% an estimated value? Will LBC substantiate final indirect costs?
- Residents require greater clarity to understand if the figures are fair and correct.

### **Undertaking the works**

- Where's the communication regarding timescale, process, quality control and resident contacts?

### **Ongoing maintenance**

- Why has past investment in the estate system through service charge pavements not covered a proportion of the costs for the replacement?
- Should the works or part of the works be classed as Capital Works or Maintenance Works?