



23 July 2018

Dear Sir/Madam,

**Service charge demands for 2018**

We hope you are well.

Firstly, we would like to apologise after you received an incorrect service charge demand for the second half of 2018, issued by Ringley towards the end of June. Ringley will now be issuing a corrected service charge for this period. These changes are explained in the body of this letter.

You will note from previous correspondence that Nova House is clad in Aluminium Composite Material ('ACM'). Due to the ACM category 3 cladding being present at Nova House, major works are anticipated to take place in respect of the removal and replacement of the cladding and remediation of other issues affecting the fire safety of the building. In the interim, fire marshals have been instructed to attend the property in compliance with the requirements of the Ministry of Housing, Communities and Local Government and the local fire authority.

We are aware that many leaseholders have not made payment of their service charge, possibly due to the fire marshals being included within the demands for payment. As this is having a detrimental impact upon the service charge fund, we have instructed JB Leitch Limited to make an application to the First-tier Tribunal ("FTT") to determine the reasonableness and payability of the fire marshals as part of the service charge.

Additionally, we are still in the process of defining the programme of works that will bring the building up to an acceptable safety standard, and for that reason we will not be expecting leaseholders to pay the cost of the removal and replacement of cladding until we have determined the actual cost of the works programme.

We therefore propose that you make payment of the regular service charges due without the fire marshal and cladding replacement costs, only until such time as the FTT have made their determination in respect of the payability and reasonableness of the fire marshal costs and we have defined the works programme. Once the FTT has made their determination, the service charge in respect of the fire marshals will need to be paid in accordance with the demand for payment.

For those who have already paid in full the service charge for the first half of the year, the costs listed in the paragraph above will be offset against the bill for the second half of the year.

As a separate matter, you will note we have adjusted the budget for gas supply in this service charge demand to reflect our recent conversation with Ringley regarding heating costs. The service charge should now only include the cost of heating for communal areas, seeing as separate bills are being sent out by Data Energy for your individual apartments, which are metered independently.

With best wishes

Neale Cooper

Mike England

Stephen Gibson

**Directors, GRES Ltd.**

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A local authority controlled company

GRES is a trading name of Ground Rent Estates 5 Limited