

Section 20 Landlord and Tenant Act 1985

Schedule 3 - Notice of Intention



To the Leaseholder of XXXXXXXXXXXXXXXX

February 2019

XXXXXXXXXXXX
XXXXXXXXXX
XXXXXXXXXXXX
XXXXXX

Reference:
Contact:
Tel:

XXXXXXXXXXXX
XXXXXXXX X XXXX
XXXXXXXXXXXX

LBS Property:
Property Ref:

XX XXXXXXXXXXX XXXX
XXXX

Tustin Estate Major Refurbishment Works Contract

The Council is proposing to carry out major refurbishment works to your block, the cost of which is recognised to be very high. This work has been the subject of extensive discussion between the council and leaseholders leading up to the service of this notice which sets out the estimated service charge costs. In this notice you will find details of what work is proposed and why it is needed, how much the work is estimated to cost and details on who to contact if you have any questions. You will also find details of who you can contact to discuss the service charge payment options available to you.

Why are we writing to you?

I am now writing to you to consult with you on the details and justification for this proposed work, and to tell you what your estimated service charge contribution will be.

Section 20 of the Landlord and Tenant Act 1985 requires leaseholders to be consulted before the council carries out any works. The Commonhold and Leasehold Reform Act 2002 introduced new requirements for this statutory consultation. The council is required by these acts to consult leaseholders on works where their contribution towards the works will amount to £250 or more. This is called Section 20 consultation.

The purpose of this notice is to provide details, justification and estimates for the proposed works and to invite leaseholders to make observations on them.

Your contribution towards this work is estimated to be £146,257.12 and will be invoiced in March 2020. Details of the charges are set out within.

This notice is not an invoice and the council is not yet seeking any payments, however if you are selling your property you should advise your solicitor that you have received this notice or telephone 020 7525 1417 for more information. Further information on your service charge and payment options is provided on the enclosed sheet.

Statement of proposed works

The contract includes Ambleside Point, Grasmere Point and Windermere Point; a total of 217 properties. A general outline of the proposed works contained in the entire contract is:

- Access scaffold and hoist
- Above & below ground drainage repairs
- Rainwater pipes works
- Brickwork repairs
- Concrete repairs
- Private balcony works
- Window and balcony door replacement
- + • Door Entry System works
- * • Front entrance door screens
 - Communal screens and doors
 - Main roof works
 - Fire stopping
- * • Asbestos removal works
 - External rainscreen cladding System
 - Communal decorations
 - Floor finishes
- + • Electrical supplies
- + • Lightening protection
- ← • IRS (TV aerial system)
 - In addition the council propose to construct additional properties below the blocks. The costs associated with this work are not included in this contract.

Engie, is the council's long term partnering contractor for your area and is proposed to carry out the works. The works have been estimated to cost £27,699,936.47. The work is expected to take 77 weeks to complete with a 12-month defects period.

The work will be carried out under a Qualifying Long Term Agreement (QLTA), which is a contract or agreement between the council and a contractor to provide works or goods and services for a term of more than twelve months. The Council is committed to securing the best price for work that is needed. This agreement enables the Council to compete to get the best prices in the market by committing to a long term relationship with a contractor, and to take advantage of its position as a large organisation with a large amount of stock to maintain in order to negotiate the most competitive rates.

The schedule of rates costs for this contract have been established under competitive tender. They will be continually monitored to ensure that costs under this agreement are competitive.

Why is the council proposing these works?

The council believes that the works outlined above are necessary. Please see the attached document which summarises the works and their justifications.

Your estimated service charge

Attached to this notice is a calculation spreadsheet that summarises the works and costs proposed for your building. Leaseholders *do not* pay for any costs in the non-rechargeable column. Some costs are included in the non-rechargeable column which reflect the contribution allocated to the additional properties to be constructed below the blocks. The below apportionment method is explained in more detail later in this notice.

You have a 2 bedroom property and are therefore assigned 6 units. There are a total of 410 units allocated to your building. The cost of rechargeable works to your building is £8,692,757.16. Your proportion of the cost of works to your building is:

$$\frac{6}{410} \times £8,692,757.16 = £127,211.08$$

Your estimate for this contract is therefore:

Major works to your building	£127,211.08
Estate costs	£ 0.00
	<hr/>
	£127,211.08
Professional fee @ 4.52%	£5,749.94
	<hr/>
	£132,961.02
Administration fee @ 10.00%	£13,296.10
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Estimated Service Charge	£146,257.12

Please note: The council is not yet asking for money and this is not an invoice. Please refer to page 5 of this notice for more detail on the options available to you for the repayment of this service charge.

How do leaseholders make legal observations?

Section 20 allows leaseholders to submit written observations regarding the proposed works in this contract, within 30 days from the date of this notice. If you would like to make such observations, they should be addressed to:

Mr. Trevor Wellbeloved
Service Charge Construction
P● Box 71994
160 Tooley Street
London
SE1P 5FW

Or online: www.southwark.gov.uk/observation

Observations must reach the capital works team by **Friday, 8 March 2019**. When making written observations please include the property address and contract reference code, which can be found on the front page of this notice, on all correspondence.

Prelims	2,722,306.40
Overheads @ 3.4%	872,905.23
Profits @ 2.4%	616,168.40
Survey and Design Services	537,179.62
Scaffolding	1,743,648.48
Measured Works	21,207,728.34
Total	27,699,936.47

Block Access to Heights 581,216.16

Specification Item	Re-chargeable	Total Non-rechargeable	Total	Description of Works
1 H	0.00	5,623.13	5,623.13	Remove and refix satellite dish
3	200,662.76	0.00	200,662.76	Brickwork repairs - including extensive survey and inspection to masonry panels and liaison with Structural Engineers Connisbee Associates. Helical wall tie supports are required to tie cavity walls together to ensure stability of masonry panels prior to new rainscreen cladding system installation.
4	297,810.75	0.00	297,810.75	Concrete Repairs - Clean all surfaces of concrete and render to remove all dirt and other contaminants, previous coatings, laitance, paint, algae, moss, lichens, vegetable growth etc. Fully expose any surface defects, cracks, blowholes etc. Carry out full hammer test and visual inspection to all areas of concrete and carry out repairs where needed. Apply corrosion inhibitor and 3mm Fairing coat to all exposed concrete surfaces
5	398,789.22	0.00	398,789.22	Balcony Works - Deglaze existing balcony panels of Georgian wire glass, disc cut off existing uprights at base level front support bars above and under balcony walkways, cut into manageable sections and construct new metal subframe to enclose existing balcony and facilitate RWC installation. Installation of new glazed balconies Supply & installation of new balcony system inclusive of anchor retention shoes, connection / flashing details, 21.5mm clear toughened laminated glass with satin/brushed stainless steel handrail. Following minor asphalt repairs use Total Protection Liquid Coating System.
6	188,919.97	10,495.55	199,415.52	Roof works - Prepare existing roof covering, remove solar reflective paint, clear all outlets and rainwater pipes, set aside railings for later re-use. Supply and install felt overlay roofing system, Gold-shield Quantum system 30 roof, cleaning existing surface, sacrificial layers, thermo adhesive system, edge trims termination bars, etc. and flat insulation boards to achieve minimum U-value of 0.25W/m2. Provide 30-year insurance backed guarantee upon completion. Supply and fix new safety rail to the perimeter of roof. Remove existing lightning protection to allow for re-roofing works to be carried out. Re-place lightning protection and test after works are completed. Installation of Colt international Coltites Roof POV ventilators as replacement skylights to top floor flats.
7 A-P	597,163.86	0.00	597,163.86	All window replacement include for. Passive ventilation to suit location, making good to window reveals internally and externally, renewing plaster/render to same and redecoration (n.e. 300mm in width). New UPVC window board and new upvc architrave to sides and head, all external weatherproofing and mastic, packing pieces, fixings and the like. No window to be removed unless new window is on site, checked and ready for installation.
7 Q	63,817.20	0.00	63,817.20	Specialist alteration works to resident FED side panels following asbestos removal works by others to include the following works supplied Shellen doors Ltd: To supply and install factory machined aperture, ready to receive the existing fire rated access panels that are in the existing side panel and to refit them into the new unit with new 30 minute fire rated panels.
8	3,800,153.65	211,119.65	4,011,273.30	A Rockpanel surface treated with four layers of water-based acrylic coating and a two-component end layer with Protect Plus as standard. Cladding system is to be installed on a proprietary and approved Aluminium frame fixed back to the existing structure forming a grid system to which systematic setting out is paramount to align new window installation to. The system will include the installation of thermal insulation board and breathable membrane system. Installation of removable inspection panels to house lighting and cabling to external communal areas. Specialist supplier Reglit to supply Pilkington Profitit glass installation.
9	44,489.28	0.00	44,489.28	Rainwater goods and drainage works. Replacement of internal riser cast iron Rain water pipes.
9	18,589.67	0.00	18,589.67	Duct Works - Specialist duct cleaning incl specifaist valve and fire dampener / valve.
9	13,125.00	0.00	13,125.00	To supply Hardall standard design refuse hopper
10	227,945.89	0.00	227,945.89	Decorations - Prepare and redecorate previously decorated surfaces externally communal/circulation areas, staircases, lobbies where decorations have been affected by works. Include all balustrading to public and private balconies. Internal staircase flooring prepare surface of existing surface including all up stands, supply and lay new resin coating including new nosing's to stair treads.
11	280,268.09	7,203.60	287,471.69	Landlord communal electrical works. Including works to pumproom, lift motor room, switchgear and landlords lighting.
12	113,418.95	6,301.05	119,720.00	Configure new door entry system to include all existing properties
12	84,475.98	5,651.04	90,127.02	IRS TV receiver - To supply and install a communal TV receiver system
12	0.00	16,410.00	16,410.00	To supply and install stealth LED 1000mA IP65 light fitting to block podium and car parks
13	55,050.00	0.00	55,050.00	Asbestos removal works where needed
Tab 10	242,899.07	74,399.92	317,298.99	Risk provisional sums
Totals measured works	6,627,579.34	337,203.94	6,964,783.28	
Prelims	850,741.83	43,284.81	894,026.64	
Overheads	272,789.64	13,879.24	286,668.88	
Profits	192,557.40	9,797.11	202,354.50	
Survey and Design Services	167,872.79	8,541.18	176,413.97	
Scaffolding	581,216.16	0.00	581,216.16	
Totals	8,692,757.16	412,706.28	9,105,463.44	