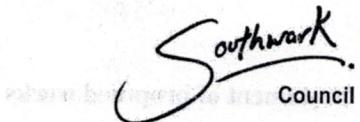


Section 20 Landlord and Tenant Act 1985



Schedule 3 - Notice of Intention

To the Leaseholder of 1 Missenden

29 April 2015

Mehmet Sishman & Nermin Sishman
C/O Erdal Sisman
66-68 Upper Wickham Lane
Welling
DA16 3HQ

Reference: cwg-15/053P6
Contact: Shaun Nicholson
Tel: 020 7525 3592
Fax: 020 8929 9387

LBS Property: 1 Missenden
Property Ref: 32171

Aylesbury Package 2 Warm Dry & Safe Contract

The Council is proposing to carry out warm dry and safe works to your block. In this notice you will find details of what works are proposed and why, how much the work is estimated to cost and details on who to contact if you have any questions.

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 **£14,198.85** and will be invoiced in March 2016. 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

Calverton 1-31(C)
Danesfield 1-31(C)
Emberton 1-35(C)
Gayhurst 1-61(C)
Gayhurst 62-79(C)
Gayhurst 80-144(C)
Gayhurst 145-161(C)
Hambledon 1-20(C)
Latimer 1-61(C)
Latimer 62-85(C)
Latimer 86-113(C)
Latimer 114-141(C)
Missenden 1-43(C)
Missenden 44-75(C)
Missenden 76-165(C)
Missenden 166-255(C)
Missenden 256-299(C)

A total of 611 properties. A general outline of the proposed works contained in the entire contract is:

- Roof covering replacements.
- Concrete/brickwork repairs.
- Rainwater goods repairs.
- Service, bin and store door works.
- Window repairs.
- Asphalt repairs.
- Fire Risk Assessment Works.
- Front entrance door Replacements.
- Smoke Detectors Installation (Offered Free For Leaseholders)
- Kitchen-Bathroom Repairs, Domestic Electrical Rewires to TENANTED Dwellings

A&E Elkins, 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 **£12,380,030.24**. The work is expected to take 85 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?

A number of blocks on the Aylesbury Estate are earmarked for demolition in the future, however while they are inhabited, the council as the freeholder of your property and as a landlord is duty bound by the terms of the lease to repair and maintain the communal parts of your block and estate. Similarly, under the terms of your lease, you have agreed to contribute a proportion of the costs incurred.

The council believes that the works outlined above are necessary because:

- The majority of front entrance doors are in a condition that fails the current fire standards, all doors to be assessed for compliance.
- The Asphalt to communal access areas and private balconies contain a number of defects (splits, blisters etc.) spot repairs to these affected areas will be carried out.
- The windows have signs of warped and twisted frames as well as missing/broken/defective ironmongery, many of the opening lights are difficult to operate and do not shut properly resulting in cold and draughty conditions and security being compromised. Most residents reported problems with the operation of the windows.
- The asphalt roof is beyond its serviceable life at the time of inspection. It is clear from the repairs that have been carried out to the roof that there are on-going issues with the roof membrane and that leaks have occurred over the years.
- The rain water goods serving the balconies and walkways are exposed and are in a mixed condition.
- Asbestos reports confirm the presence of asbestos in a number of areas.
- Storage doors are located on the external walkways and are in a mixture of repair conditions. These should be overhauled to ensure they operate correctly and that they are lockable to comply with the Fire Risk Assessment.
- To maximise the use of the scaffolding while raised, any necessary external works will be carried out.

Your estimated service charge

Attached to this notice is a calculation spread sheet that summarises the works and costs proposed for your building. Leaseholders *do not* pay for any items in the non-rechargeable column. The below apportionment method is explained in more detail later in this notice.

You have a 4 bedroom property and are therefore assigned 8 units. There are a total of 303 units allocated to your building. The cost of rechargeable works to your building is £461,771.09. Your proportion of the cost of works to your building is:

$$\frac{8}{303} \times £461,771.09 = £12,191.98$$

Your estimate for this contract is therefore:

Major works to your building	£12,191.98
Estate costs	£ 0.00
	<hr/> £12,191.98
Professional fee @ 5.87%	£716.07
	<hr/> £12,908.05
Administration fee @ 10.00%	£1,290.80
Estimated Service Charge	£14,198.85

Please note: The council is not yet asking for money and this is not an invoice.

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 Shaun Nicholson

Capital Works Team

Home Ownership Services

153-159 Abbeyfield Road

Rotherhithe

London SE16 2BS

Or email: Shaun.Nicholson@southwark.gov.uk

Observations must reach the capital works team by **Wednesday 3rd June 2015**. For your convenience an observation form is attached to this notice. Observations do not have to be made using this form.

Further information

The detailed estimates for these works as well as the information contained within this Section 20 notice are available for inspection at the Home Ownership Unit, 153-159 Abbeyfield Road, Rotherhithe, London, SE16 2BS Monday to Friday between the hours of 10am and 4pm. No appointment is necessary to view the estimates - however if you would like to discuss this contract in detail or to arrange a more convenient time to inspect the estimates, please telephone to make an appointment. Alternatively a copy of the detailed estimates can be sent out but this may incur an administration charge of £25.00. A copy can be sent out by email free of charge where possible.

Attached to this notice is a collection of frequently asked questions and answers. If you have any further questions regarding the contents of this notice, please contact me at your earliest convenience.

Yours sincerely

Shaun Nicholson

Mr Shaun Nicholson
Capital Works Team
Home Ownership Services
Tel: 020 7525 3592
Email: Shaun.Nicholson@southwark.gov.uk

Information about your service charges

Your lease is a legally binding agreement between the council and you. It sets out all of the rights and obligations of both parties relating to your property and the building or estate in which it is situated.

In general, as a leaseholder you are responsible for the repair and maintenance of everything inside your home and the council is responsible for the structure, exterior and common parts of the building. The council is also responsible for the provision of routine services such as communal heating and lighting of common parts, for example stairwells and entrances.

As a leaseholder you will be required to pay a fair proportion towards the costs of maintenance, repair or renewal to your building or estate, also towards the costs of any services provided by the council for communal use. These contributions are known as service charges.

About your estimate

The law allows leaseholders to be invoiced on an estimate if the lease allows it - Southwark's leases do allow this and your service charges will be invoiced on an estimate calculated directly from the priced specification. This is the best estimate of your contribution that the council can give at present.

The specification of works was written following surveys of the relevant buildings, provisional sums may have been included in order to ensure that funding is available to carry out all necessary work without having to ask for further quotes from the contractor. During the course of the contract and following more detailed inspections, any unnecessary work – including any provisional items – will be omitted. We will recalculate your service charges in accordance with the actual costs incurred once the contract has completed. Leaseholder's accounts will be credited or debited accordingly.

Administration and management fees

The council will use specialists (both in-house and external) such as building consultants and quantity surveyors, to prepare the specification of works and oversee the contract. These professional services incur a cost and are charged as a percentage of your contribution.

Administration fees are also charged in accordance with your lease at a fixed 10% rate. This fee covers the costs incurred by various teams in the housing department to carry out Section 20 consultation, preparing and managing service charge accounts and to manage the housing stock condition.

Section 20 Legislation

This notice is constructed in accordance with Section 20 of the Landlord & Tenant Act 1985 (as amended by section 151 of the Commonhold and Leasehold Reform Act 2002). The Council must consult you regarding any qualifying repair works to your block for which you will be liable to pay a service charge of £250 or more.

Calculating your proportion

Your lease states the council may adopt any reasonable method for calculating your service charge and may adopt different methods in relation to different items of costs and expenses. Service charges are fairly proportioned between all properties in your building. The council pays the proportion relating to rent-paying tenants from the rents received. The cost of services to tenants is not subsidised in any way by leaseholders.

Typically, for works to the structure of a building such as roof, windows or external decorations, service charges are based on a unit system. This is calculated by adding four to the number of bedrooms in a property. For example, a bedsit has four units, a one-bedroom-flat five units. The number of units for each block or estate is totalled and divided into the cost to give a cost per unit, and that cost is multiplied by the number of units for each individual property to come to the charge for that property. This means that the owner of a three bedroom property will pay more for an individual service than the owner of a one bedroom flat in the same block. This method was agreed by the Home Owner Council.

For contracts that are specific solely to service items such as lifts, door entry systems, water tanks etc. costs are equally proportioned to all properties. The costs relating to estate-works such as drainage or lighting are also equally proportioned to all properties.

Repayment of service charges

The council is not asking for any money yet.

We are aware that some leaseholders are not in a position to settle their major works charges within a relatively short period of time as set down in the terms of their lease. We can therefore offer various payment options to help leaseholders. These include:

- Payment of interest free monthly instalments over 36 months. Please note that if the standing-order payments do not commence promptly, upon receipt of the invoice, and if any payment is missed then this scheme will no longer be available and you will be required to pay in accordance with your lease. This option is not available for leaseholder's who sublet their property.
- We may be willing to offer a discretionary service charge loan, which would help you to pay by monthly instalments over a period of up to 25 years at 1.5% above the base rate of the National Westminster Bank plc, provided there is sufficient equity in your property to cover the loan. There is an application fee which covers the council's costs in securing the loan against the property; this amount can be added to the loan.
- We may also be willing to offer a discretionary voluntary charge loan which will allow you to repay the debt at a time the property is sold or transferred. The interest rate is 2% above the National Westminster Bank base rate, there is an administration fee which can be added to the loan. This option is only available provided there is sufficient equity in your property.

Further details on these and other payment options will be included with the invoice. Should you require any further information in this regard, including confirmation of interest rates, please telephone the capital collections team on 020 7525 1400.

Section 20 Landlord and Tenant Act 1985
Schedule 3 – Notice of Intention

15/053P6: Aylesbury Package 2 Warm Dry & Safe Contract
Leaseholder Observation Form

This form has been included to help you make observations regarding the proposed works outlined in this Notice of Intention. If you choose not to use this form please include the information in the grey-box below in your reply.

- ◆ I have the following comments regarding the estimates for the proposed works:

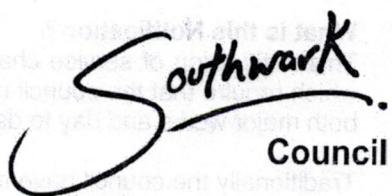
Title Mr / Mrs / Ms
Name
Address Mehmet Sishman & Nermin
Sishman
C/O Erdal Sisman
66-68 Upper Wickham Lane
Welling
DA16 3HQ

Signature _____

Contract 15/053P6
LBS add 1 Missenden
LBS ref 32171

Return to Mr Shaun Nicholson
Capital Works Team
Home Ownership Services
153-159 Abbeyfield Road
Rotherhithe, London
SE16 2BS

Due by Wednesday 3rd June 2015



Notification: Service Charge Account 2015/2016
Account Number: 3004953225
Property Reference: 32171
Property address: 1 Missenden, Roland Way, London, SE17 2HS
Date: 29 April 2015

Service Charges previously notified:

Estimate Service Charges previously notified for 2015/2016 £3,047.30

A breakdown of this service charge, how it has been calculated and what is included was issued to you on 19/02/2015

This Section 20 - Major Works Service Charge:

Estimated Major Works Service Charge for 2015/2016. £9,229.25

This is the percentage of the total estimated amount in the attached Section 20 notice that Southwark estimates will be incurred this financial year. It comprises of 65.00% of the estimated service charge amount in the attached notice. The remainder of the amount will be notified on in future years. Please see the Q&A on the next page for further information.

Total notified for the year 2015/2016 payable quarterly in advance in accordance with the terms of your lease. £12,276.55

What is this Notification?

This notification of service charges is sent in order to comply with the terms of your lease, which require that the council notify you of all of the estimated charges for the year, including both major works and day to day annual charges.

Traditionally the council have not broken down the major works charge to show what is to be spent in each financial year. Instead they have billed all of the costs for the work in one invoice that is separate from the annual charges. This allows the council to offer longer term payment schemes to leaseholders for major works, which are not available for the annual service charge.

Leaseholders who do not want to take advantage of the payment schemes available, and who want to pay all of their charges within the financial year that they relate to, are entitled under the terms of their lease to do this, and a recent legal decision means that the council will in future be required to notify all leaseholders that they have this right, and to set out what the annual charge would be as shown overleaf.

What is the previously notified Service Charge?

Your estimated service charge invoice sent out in February of each year includes a notification as per the explanation above. The previously notified amount overleaf is either the amount you were notified of at that time or the details of the latest revision of your notification. This amount includes both your revenue and major works service charges.

Do I have to start paying now?

No. If you want to make arrangements outside of the lease terms you can wait until the council sends an invoice for the major works charges in February of each year. This means that instead of arranging to pay all of the major works charges for this year now, you wait for the council to invoice you, and make an arrangement with the council to pay the charges according to various payment schemes that are available for major works which will allow you to spread the payments.

If I wait until I receive the invoice, how can I spread my payments?

Leaseholders who are resident at the property can spread payments over 36 months, and sometimes longer, without paying interest. Other schemes are available to spread payments over a longer period. These schemes are available to all leaseholders but interest is payable on the debt. Full details of the schemes available can be discussed with the collections team. Their telephone number is below.

If I want to start paying now, what do I do?

Your lease allows for payments to be made on each quarter of the year for the costs that the council estimates that it will incur within that year. The attached notification details the proportion of the total cost that the council estimates for the major works for this year.

If you want to pay in this way you should contact the collections team, who will calculate your payments for each quarter and set up a payment arrangement for the full estimated service charge for the year. You can contact the collections team on 0207 525 5936.

You should note, that if you decide to make payments on this basis, you cannot at a later date decide that you wish to take up the more extensive payment plans for major works that the council offers.

Service Charges: Summary of tenants' rights and obligations

Introduction

This summary, which briefly sets out your rights and obligations in relation to variable service charges, must by law accompany a demand for service charges. Unless a summary is sent to you with a demand, you may withhold the service charge. The summary does not give a full interpretation of the law and if you are in any doubt about your rights and obligations you should seek independent advice.

1. Your lease sets out your obligations to pay service charges to your landlord in addition to your rent. Service charges are amounts payable for services, repairs, maintenance, improvements, insurance or the landlord's costs of management, to the extent that the costs have been reasonably incurred.

2. You have the right to ask the First Tier Tribunal to determine whether you are liable to pay service charges for services, repairs, maintenance, improvements, insurance or management. You may make a request before or after you have paid the service charge. If the tribunal determines that the service charge is payable, the tribunal may also determine:

- Who should pay the service charge
- Who it should be paid to
- The amount
- The date it should be paid by
- How it should be paid.

3. However, you do not have these rights where:

- A matter has been agreed or admitted by you;
- A matter has already been, or is to be, referred to arbitration
- Has been determined by an independent arbitration and you agreed to go to arbitration after the disagreement about the service charge or costs arose
- A matter has been decided by a court.

4. If your lease allows your landlord to recover costs incurred or that may be incurred in legal proceedings as service charges, you may ask the court or tribunal, before which those proceedings were brought, to rule that your landlord may not do so.

5. Where you seek a determination from the First Tier Tribunal, you will have to pay an application fee and, where the matter proceeds to an oral hearing, a hearing fee, unless you qualify for fee remission or exemption. Making such an application may incur additional costs, such as professional fees, which you may have to pay.

6. The First Tier Tribunal and the Upper Tribunal (in determining an appeal against a decision of the First Tier Tribunal) have the power to award costs in accordance with Section 29 of the Tribunals, Courts and Enforcement Act 2007.

7. If your landlord:

- Proposes works on a building or any other premises that will cost you or any other tenant more than £250 or
- Proposes to enter into an agreement for works or services which will last for more than 12 months and will cost you or any other tenant more than £100 in any 12 month accounting period.

Your contribution will be limited to these amounts unless your landlord has properly consulted on the proposed works or agreement or the First Tier Tribunal has agreed that consultation is not required.

8. You have the right to apply to the First Tier Tribunal to ask it to determine whether your lease should be varied on the grounds that it does not make satisfactory provision in respect of the calculation of a service charge payable under the lease.

9. You have the right to write to your landlord to request a written summary of the costs which make up the service charges. The summary must:

- Cover the last 12 month period used for making up the accounts relating to the service charge ending no later than the date of your request, where the accounts are made up for 12 month periods; or
- Cover the 12 month period ending with the date of your request, where the accounts are not made up for 12 month periods.

10. The summary must be given to you within one month of your request or six months of the end of the period to which the summary relates whichever is the later.

11. You have the right, within six months of receiving a written summary of costs, to require the landlord to provide you with reasonable facilities to inspect the accounts, receipts and other documents supporting the summary and for taking copies or extracts from them.

12. You have the right to ask an accountant or surveyor to carry out an audit of the financial management of the premises containing your dwelling, to establish the obligations of your landlord and the extent to which the service charges you pay are being used efficiently. It will depend on your circumstances whether you can exercise this right alone or only with the support of others living in the premises. You are strongly advised to seek independent advice before exercising this right.

13. Your lease may give your landlord a right of re-entry or forfeiture where you have failed to pay charges which are properly due under the lease. However, to exercise this right, the landlord must meet all the legal requirements and obtain a court order. A court order will only be granted if you have admitted you are liable to pay the amount or it is finally determined by a court, tribunal or by arbitration that the amount is due. The court has a wide discretion in granting such an order and it will take into account all the circumstances of the case.

E1.002.913.78
£188.574,47
E115.034,63
£575.173,13
E186.389,90
£822.988,00
£9.489.046,34
£12.380.030,24
£64.689,00

