



## KEIR STARMER QC, MP

*Member of Parliament for Holborn & St Pancras*

Ms Sue Dawson  
62 Sandstone Place  
London  
N19 5TX

Our Ref: RB

17 November 2016

Dear Ms Dawson

I have now received a response from Camden Council and I enclose a copy for your information.

I hope that the information in the letter is helpful to you and that you will be able to resolve your differences with the council in a mutually beneficial arrangement.

If there is anything further you feel I can help with on this or any other matter, please do not hesitate to contact me again.

Yours sincerely

KEIR STARMER QC MP

Date: 11 November 2016  
Your Ref:  
Our Ref: 20774261  
Enquiries to: Stephen Harding



London Borough of Camden  
Supporting Communities Directorate  
Town Hall  
Judd Street  
London, WC1H 9JE

Phone: 0207 974 1463

[www.camden.gov.uk](http://www.camden.gov.uk)

Mr. Keir Starmer QC, MP  
House of Commons  
Westminster  
SW1A 0AA

Dear Mr Starmer

Thank you for your enquiry on behalf of:

**Ms Sue Dawson**  
**64 The Croft**  
**Hastings**  
**East Sussex**  
**TN34 3HH**

and I apologise for the delay in our response.

Ms Dawson is the non-resident owner of the leasehold properties at 61 and 62 Sandstone Place, N19 5TX (listed as Hillfield Properties).

You requested a detailed response on the specific concerns raised by Ms Dawson and how we might seek to minimise future problems.

With regard to the minimising of future problems, officers will continue to meet and discuss these works with leaseholders and have agreed to place service charge invoices on hold until January 2017. In addition any resident leaseholders who are 'qualifying lessees' will benefit from the Florrie's Law capping of their service charges for these works.

We understand that these charges are high but we are not in a position to offer reductions for non-resident leaseholders, even in the case where they are faced with multiple invoices because they own more than one property such as the case of Ms Dawson and Hillfield Properties Ltd.

These works are reaching their final stages now and we hope that any quality concerns can be addressed in the next few months. This will be well before the second part of the service charge invoicing is actioned in September 2017.

Ms Dawson has raised a number of concerns which have been addressed in turn below:

**"The costs currently stand at anything between £15000 and £27000"**

Whilst overall estimates are generally in this range, the current charges to leaseholders range from £406.59 to £13,130.05 and no further charges are expected to be levied until September 2017.

Jenny Rowlands  
Executive Director, Supporting Communities

### **"The costs are around 3 times the going rate"**

An independent consultant, TGA, has been appointed as the designer for this scheme. Part of their remit is to make sure that value for money is being obtained and to act as the cost consultant. Keepmoat (the principle contractor) have market tested these costs and they have been reviewed by TGA. It is a very complex and extensive scheme and the Council has scrutinised the design and costs submitted very closely. The scheme addresses significant failures in the current system which was one of the most inefficient district heating systems in the borough and includes replacement of all the on-site boilers, distribution pipework and internal installations.

There is no supporting evidence for the claim that there is a significantly cheaper market rate for this type of contract. Keepmoat approached 13 subcontractors to bid for these works and obtained four comparable quotes of which three were within 6% of the estimates issued to leaseholders (the fourth was significantly higher). We believe the costs are reasonable and compare favourably with market rates.

### **Affordability**

Resident leaseholders who qualify under the terms of Florrie's Law will have the contributions capped at £15,000 once the charges reach that level – in most cases this will occur in September 2017.

Whilst charges associated with these works will impact on the investment decisions of non-resident leaseholders, the Council's decision to renew ageing and failing heating apparatus cannot I am afraid be heavily influenced by this aspect. Any leaseholder however having genuine difficulties affording their leasehold service charges can discuss this with us and we will try to find a workable solution, including offering extended payment options.

### **We should not invoice until works have been completed, tested and signed-off and invoices should be put on hold**

Several leaseholders have expressed concerns that the new system is not yet fully working. Because of these concerns, it has been agreed to delay the start date for repayment until January 2017. I would encourage Ms Dawson to contact her leasehold officer to arrange a suitable payment plan.

The Council acknowledges that our leasehold tenants have a right to an expectation of value for money and prior to commencing recovery of service charge in January 2017 we will seek confirmation from the delivery team that works are completed to the required standard.

It is important to note that the Council has been required to make staged payments in advance to contractors as the work has progressed and as such it is not unreasonable to issue service charge demands to leaseholders for their respective share of these sums.

### **"The heating renewal is not necessary"**

The Council procured advice from three separate and independent specialist consultants on the need for system renewal. All confirmed that the system was past its shelf-life and had significant defects.

The system was past the lifespan expectations set out by in the guidelines published by the Chartered Institute of Building Services Engineers (CIBSE) and had seen catastrophic failure of the main boilers in 2010 with a concurrent high fault rate on the distribution



infrastructure resulting in frequent leaks into residential property. There were 2766 system breakdowns reported in the period Jan 2008 and Dec 2012. The Council as a land lord had to act to respond to a situation where residents were frequently left without a heating and hot water service leaving the Council in breach of its statutory duty.

**“Insufficient Information has been provided to residents”**

Having reviewed this, it is clear the Council consulted with residents over a period of five years prior to instructing the works. The consultations were detailed and included regular meetings with a resident appointed steering group to develop the technical solution.

A huge amount of correspondence and information has been issued to leaseholders and residents relating to this scheme. Officers from Camden's contract team continue to meet regularly with residents to discuss the scheme, responding to every type of enquiry.

**“The materials being used are of a low quality”**

Camden's view is that the materials being used are industry standard, monitored by an independent Clerk of Works. If leaseholders have concerns or evidence that contradicts this it is important that they provide it to us as soon as possible.

If there is any concern about quality following the completion of the works the delivery team will seek rectification through contractual mechanisms. Rectification of works not completed in accordance with the contract provisions will be undertaken at no additional cost to leaseholders. All leaseholders who have concerns about the quality of works or cost are able to withhold elements of payment and there are dispute resolution mechanisms available.

If you need any further information, please contact Stephen Harding on 020 7974 1463 or email [Stephen.Harding@Camden.gov.uk](mailto:Stephen.Harding@Camden.gov.uk).

.Yours sincerely



**Mary McGowan**  
**Director Housing Management**  
**Supporting Communities**