

observation	Response
<p>Whilst we are keen to keep costs reasonable, we are not sure that choosing the cheapest bidder is the best choice. With three quotes, is it not normal that the mid 1 would be chosen?</p>	<p>We normally accept the lowest tender unless there is a reason to think that the price is so low that the work cannot be done for the quoted figure. So no, it is not normal when using the 'NBS Guide to tendering for Construction Projects' to accept the middle quote.</p>
<p>Will we be responsible for paying the 15% VAT also? This drastically increases an already very concerning charge that we are very worried about being able to afford.</p>	<p>The VAT amount is 20% as it is for almost everything. Yes, you will be responsible for the payment of VAT at the prevailing rate. There is a Management Fee which is charged at 15%, which will cover the cost of the Clerk of Works amongst other things plus our management of the project.</p>
<p>Have the 3 companies' previous work being looked at so we can be sure that a quality job will be done?</p>	<p>All the tenderers are ones we or our consultants have used previously. We are therefore aware of the standard of work they produce and have no concerns. Furthermore, we will be closely supervising the works in order to ensure that the standard of work will be high</p>
<p>Do you have any background information or testimonials you can share for the three tenderers?</p>	<p>No, we have no specific information like this to share. Stepnells are a large contractor and there is information about them on their website. The other tenderers were Brymor Construction and Dawnus. All three have annual turnover in tens of millions and have wide ranging experience. The two who withdrew during the tender period were Spetisbury Construction and United Living, both of whom said that they would be too busy in 2017 as had recently been awarded large contracts.</p>
<p>With 6% less cost, is there a danger we will get substandard work?</p>	<p>No. The quality of work will be closely monitored irrespective of which contractor was chosen. They are all large national companies with the ability to manage a project of this size and nature.</p>

<p>Page 3 of the letter talks about Aster being responsible for the replacing of windows, are you also responsible for the replacing of doors? We recently had a letter ref the front door needing to be replaced and that we were responsible for the cost of that. It doesn't seem to make sense that the 2 things should be treated differently.</p>	<p>The window frames are part of the structure of the building and therefore fall within the Landlord's repairing covenants under the Lease. The front entrance doors are included within the definition of 'demised premises' and therefore it is the individual leaseholder's responsibility to ensure that they meet current fire safety standards. The reason for windows and doors being treated differently therefore lies within the definitions contained in the Lease.</p>
<p>Do you have any idea of the disruption this work will cause? We have tenants in our flat and are worried that if the disruptions are extensive and ongoing, we could lose our tenants. This will obviously add to the cost to us as we would lose rent and we already make a loss. With the bad press about the issues at Kingsway Gardens we are worried that if we lose our tenants we won't be able to re let our flat.</p>	<p>We are advised that the total length of the works to Saxon Court 18 weeks, Atholl Court 15, York Court 16, Tudor Court 12 & Stuart Court 12 and there is a 3-4 week overlap between works to the blocks. The works to individual flats will be considerably less than that. There will be some inevitable disruption with maintenance work. Once the works are completed the buildings should be more attractive and so potentially more desirable. During the works to your flat and possibly the section of the building your flat is in, you will be unable to fully use the balcony area.</p>
<p>When are the works expected to take place?</p>	<p>Anticipated contract start date is 27th February 2017 and the contract will last for approximately 60 weeks.</p>
<p>Will you need access to my property, if so for how long?</p>	<p>Very little of the work will be inside any of the flats. Works access to balcony areas etc. will be via a scaffold or equivalent equipment. In some instances there may be a need to remove the patio door and side screens to carry out the work to the wing walls at each side of the balconies. This time will be kept as short as possible but the exact length it will take is not yet known or if the works to the patio door will be necessary on your flat. We will of course try and give you as much notice in the event that we need access to your flat.</p>

<p>Question 13 on FAQ document mentions that some of the issues have been caused by leaking pipes from a flat above. Can you confirm if the cost of these repairs have been booked across all flats as the new charges will be? It seems unfair if this is the case. We take good care and are responsible in doing repairs in our own flat at a cost to us so we don't want to feel that we have paid for someone else's negligence</p>	<p>Where there have been leaks, repairs were typically arranged by & paid for by individual leaseholders. Where Aster have carried out repairs, they have been charged to the individual leaseholder concerned.</p>
<p>Why has none of this work been done on a rolling basis over the last 10 years and paid for out of our yearly maintenance charge?</p>	<p>The problems with the building came to light following a routine five yearly inspection in 2013, followed by a more detailed assessment by independent building consultants.</p> <p>Some parts of the building were coming to the end of their useful life and due for replacement within two or three years (so around now). The asphalt roofs/ balconies, walkways and rainwater goods amongst them. Also the buildings were due to be decorated. None of those items should be replaced whilst still serviceable.</p> <p>When doing the 2013 inspection, the amount of carbonisation (rusting of steel inside the concrete) was noted so we had specialist advice on what to do to stop that getting any worse. Again, we could not carry out these repairs before the problem was fully investigated.</p> <p>Equally, there are certain construction details that have been used, such as walls that are one brick thick, which were letting water get into the flats. Even if we had carried out the replacements before they were needed, the cost would have been at least the same or arguably more. (Often lots of small jobs done over a period of years cost more than one big one.).</p>

<p>What work has been done out of the monies we have been paying?</p>	<p>Responsive repairs to communal parts and general services (eg cleaning) are covered by the annual service charge invoices.</p>
<p>Why are we paying for building insurance if it doesn't cover the repairs needed?</p>	<p>Building insurance covers 'insured risks' for example, fire, subsidence, etc. Building insurance does not cover non insurable events, such as a building requiring maintenance, as of course all buildings will require works to be done on them at some point during their lifespan.</p>
<p>How much is in the sinking fund for this block? If nothing where is it and what was it used for and if there is money there why isn't it being used toward this work.</p>	<p>The sinking fund balance can be found on the letter accompanying this document. The sinking fund will be used to fund some of the works.</p>
<p>I had my cavity insulation removed. Is it being replaced and if not why not as obviously this affects my heating bills.</p>	<p>Following the severe storms in the winter of 2013, the amount of rainwater penetrating the cavity walls meant the insulation became saturated. Once wet, it was unable to dry out effectively. By removing the insulation this allowed the building to dry out. The insulation will be replaced with a different type of insulation that will reduce the risk of this happening again.</p>
<p>I can't afford the works, what options do I have?</p>	<p>You may be eligible to apply for a repayment plan if the leasehold property is your main home. For further information please contact the Home Ownership team.</p>
<p>The figure you calculated, £x, is that unique to me and my block or is it a simple split between everyone at Kingsway Gardens?</p>	<p>It is the amount for all residents of the block as defined in your lease. The costs of works to each block are divided according to the terms of the leases within that block.</p>
<p>Can you confirm whether my block is one of the blocks which requires a large amount of repair work? Or are there other blocks which are in a worse condition?</p>	<p>Most of the blocks require a similar amount of work. Atholl, which was built and converted in a slightly different way, requires less work than others.</p>

<p>The figure you have calculated, does this take into consideration any work costs which may be determined that Aster is responsible for paying? Might this amount be reduced because Aster is found to be responsible for the repair?</p>	<p>The estimated costs contained within the S.20 letter (stage 2) gave the total tender price submitted by each contractor who responded to the tender process. If the final costs are less than the estimate, the ultimate charge to leaseholders will decrease, conversely if the final costs are more than the estimate, the final charge to leaseholders will be higher. An Application for a Determination of Reasonableness and payabilty has been made to the First Tier Tribunal (Property Chamber) and Aster will of course follow the Tribunal’s determination once made.</p>
<p>I understand the responsibilities of owning a property, which inevitably means there will be some large costs at some point along the way. But the calculations you have come to are huge and given that some of the repairs are as a result of Aster's neglect over the years, surely this amount will be reduced in future correspondence?</p>	<p>The calculations we have provided are based on a detailed specification prepared by indepednt construction cosultants. The costs reflect the level of work needed to undertake remedial repairs to prevent further deterioration of the building structure, including replacing life expired components and defective construction detailing.</p>
<p>You say this will be incorporated into my service charge, should I sell the property would the new lease holder take on the repayment, or is this cost solely my responsibility?</p>	<p>The leaseholder of the property at the time the invoice is rendered will be liable to pay these costs. If a property is in the process of being sold, what happens will depend on market forces and the negotiating position of the parties to the transaction. Your conveyancing solicitor can give further advice on apportionment of costs on sale if required.</p>

<p>I would like to query the inclusion of external decoration being included in the sum quoted per flat of £x+VAT. Surely the external decoration should be being met from the sinking fund that as at 31/12/14 stood at £x according to previous correspondence from Aster. Including it in the quote but making no mention of the funds in the sinking funds is misleading. Please confirm that each flat should expect a minimum of £x to be contributed towards their bill from the sinking fund, possibly more since presumably the fund may have increased since 2014. This is after all our money.</p>	<p>The money in the sinking fund will be used towards the overall cost of the works, not specifically for the redecorations but yes, the amount you will need to contribute will reduce by the proportion of the sinking fund for your flat.</p>
<p>You give no detail of when you propose the works to start & how long you expect them to take. This is important information since it seems the end of the work when you will know the bill is likely to be when you present a bill to us. If for instance a mortgage is to be potentially arranged it is unlikely an offer will be on the table for longer than 3 months so a more accurate picture of when funds are likely to be needed is required. Can you not provide a more specific time frame?</p>	<p>Anticipated contract start date is 27th February 2017 and the contract will last for approximately 60 weeks. We are advised that the total length of the works to Saxon Court 18 weeks, Atholl Court 15, York Court 16, Tudor Court 12 & Stuart Court 12 and there is a 3-4 week overlap between works to the blocks. In accordance with the service charge mechanics in the Lease, all lessees will receive an invoice based upon the estimated costs at the start of the coming financial year (2017/18) which will be issued in the last week of March 2017. A balancing charge for any over or under spend will be dealt with once the works have finished and final costs have been received from the contractor.</p>
<p>I understand that the difference between a bill of £20000+ & a bill of £15000 may not make much difference to you but it makes a big difference in loan repayments or indeed if attempting to get a mortgage would be more appropriate than a personal loan. Frankly we need as accurate a picture as possible. Its really difficult to even begin to know what to do without more accurate information. I appreciate you cannot know the exact final bill but it does seem you could give a much more precise figure with a little more effort.</p>	<p>The figure you have been quoted is the most accurate we can give you at this time. As you suggest we cannot state an exact amount as some of the works – the concrete repairs for instance, have been assessed on the basis of what can be seen and what our specialist concrete repairs consultant know from experience to expect below the surface.</p>

<p>We keep receiving assorted payment info for the major works. Please refer to the terms of our lease, section 4a, where it clearly states Aster are to "repair, renew and maintain the main structure of the building". This includes concrete slabs, main walls, window frames, roof gutters and rainwater pipes among others listed.</p>	<p>Whilst yes, Aster are responsible for replacing certain items, costs of all works are ultimately paid for by leaseholders or owners of the individual dwellings, these costs being divided in accordance with the provisions of the leases which is that the entire cost of works (including window replacements) is divided by the number of dwellings. Aster is responsible for paying the bill and recovering the cost from the leaseholders.</p>
<p>In your 'Kingsway Gardens Consultation Paper' of 2nd Feb 2015 item 4 specifically states "When Aster commissions a contractor to undertake major works we request quotations from multiple contractors".</p>	<p>We sought tenders from 5 main contractors for the works. Three returned prices. Stepnells are a large contractor and there is information about them on the web. The other tenderers were Brymor Construction and Dawnus. All three have annual turnover in tens of millions and have wide ranging experience. The two who withdrew during the tender period are Spetisbury Construction and United Living, both of whom said that they would be too busy in 2017 as had recently been awarded large contracts.</p>
<p>A quotation is a fixed price offer that can't be changed once accepted by the customer. An estimate is an educated guess at what a job may cost - it isn't binding. I am concerned that in your letter of 16th Dec 2016 you report that you have received estimates for the work. I note that a comprehensive survey was carried out in 2014 by Wellings Associates and they submitted a detailed report of the work that needed to be done. Estimates can, and all too often do, inflate well beyond anything that was envisaged at the awarding of the contract because of 'unforeseen circumstances'. The whole point of paying for a professional survey beforehand is to avoid this.</p>	<p>The tender documents were formed by consultants following detailed investigations over many months into the causes of the problems with the buildings. These documents in themselves contain measurements of the amount of work required based on the specialist investigations undertaken for instance into the concrete repairs needed.</p> <p>Some areas, such as the concrete covered by the asphalt on the balconies can only be estimated based on experience and the defects evidenced elsewhere on the buildings. Any prices based on the estimated quantities must be considered as estimates therefore the price as a whole is an estimate.</p>

<p>Why are these costs different from the detailed estimates and 30 Year Buildings Cost Plan we received in 2015?</p>	<p>The Buildings Cost Plan used costs and figures based on specialist consultant's advice. The tenders we received reflect the current market conditions and the costs actually chargeable for the works required. Further investigations have also taken place which has revealed further defects within the building than those known in mid 2015.</p>
<p>I am concerned that you wish to charge us as one payment for works, rather than through our Service Charge as detail in the letter from 2015. This seems a much more appropriate way to pay for works, especially when funds could have been charged for future works in previous years planning for works that would need to take place in a cyclical fashion.</p>	<p>We have to recover the cost of the works in line with the provisions of your lease. This requires us to charge for the works during the financial year in which the cost is incurred. Therefore the charges will form part of the service charge from 1st April 2017.</p>
<p>I have been the owner of a flat in Saxon Court since 1993, and have evidence from residents meetings with Testway Housing, which highlight structural problems and the need to plan payments via our service charge to cover future costs. This does not seem to have ever taken place. This unprofessional and frankly horrific treatment of residents now is extremely concerning. I am sure the local media, councillors and higher levels of government, not to mention the local community, will feel the same. I urge you to please consider your method of charging for such works in a more responsible and professional manner, and not expect worried and vulnerable residents to pay for poor planning and maintenance over the past 30 years.</p>	<p>The current issues were only revealed following the detailed inspections undertaken by Wellings Partnership in 2014 and the recommendations contained within their report dated November 2014.</p> <p>Leaseholders at Kingsway Gardens were consulted in 2006 and 2007 about increasing the sinking fund to cover more than just cyclical redecorations. Leaseholders unanimously voted for sinking funds (where provided for in the Lease) not to be increased.</p> <p>Financial hardship or vulnerability should be discussed with the Home ownership team and payment options may be available.</p>
<p>Please can you explain why, according to your latest repayment advice letter, the property must be our primary home in order to qualify for the payment plan? Does that mean that anyone who rents out their flat will not qualify for Aster's assistance?</p>	<p>Only leaseholders using the property as their main home may qualify for a repayment plan. Investment landlords using their flat(s) to generate an income will not qualify for assistance. All cases of financial hardship will be treated individually and sympathetically,</p>

<p>It has been brought to my attention that some Leases state that any cost of repair works charged to the block must be recovered from us via the monthly service charge only. You also mention this in your letter. However, at this stage it is very unclear how Aster intends to this. How much will you increase the service charge to cover the repair cost? Over what period of time will this take place? Asking residents to find an additional £350 a month, for example, to pay back costs is a lot of money and most will find this impossible to find. Perhaps you need to give an example so we can better understand how it would work in practice.</p>	<p>The Lease sets out the contractual relationship between Aster, as Landlord, and the individual lessees. Aster will charge the major works in accordance with the provisions contained within the Lease. This means that an 'on account' demand/invoice will be rendered for payment at the start of the 2017/18 financial year.</p>
<p>If we do not qualify for your repayment plan, or have the funds to pay the repair cost, what will happen? Bare in mind that some residents may not be able to remortgage because personal circumstances have changed. They may not have large savings or equity in the property either.</p>	<p>We are happy to discuss individual cases of financial hardship. Please contact a member of the Home ownership team who will be happy to discuss the options open to you.</p>
<p>When is Aster expecting to send a formal bill the residents?</p>	<p>Costs will be invoiced as part of the 2017/18 financial year from 1st April 2017</p>
<p>When will the work commence, or is this not certain yet?</p>	<p>Anticipated start date is 27th February 2017</p>

I understand that when undertaking major works and charging leaseholders a test of ‘reasonableness’ is applied. I can see that you have taken steps to ensure that the price is competitive by inviting tenders and selecting the cheapest, but I would question whether all of the work is necessary. Your policy on repairs states that there is a planned approach to maintenance, but if this is the case how can so much work suddenly need doing? You’ve mentioned several times in your correspondence about certain works having ‘reaching the end of their expected lifespan’. This is no indicator of work *needing* to be done. Whilst it is almost certainly cheaper to have all work that is likely to need doing in the foreseeable future done by one contractor in one go, the financial implications for individuals makes this untenable. I would rather see this work staggered over the next 10 years or so with an accompanying increase in monthly service charge. Clearly essential work should be carried out first, but I would like to see less crucial works, replacement of windows/doors, resurfacing, re-decorating etc. done over a longer period.

The individual largest cost item is the repairs to the concrete structure of the building and the replacement of some walls which are letting water pass through them. Another large cost is for the replacing of the asphalt weatherproof coatings located on balconies and walkways.

These three items are intrinsically linked.

To carry out any one of these three work areas, the building needs to be scaffolded. In order that satellite dishes will continue to receive signals, they will need relocating to the outside of the scaffold. If we were to split the three, the cost of erecting the scaffold would increase considerably and not offer the most cost effective solution for leaseholders, Almost all flats on the ground and first floors were affected by water ingress following the severe winter storms from 2012-2014.

Whilst we carried out repairs in order to stop that happening, the repaired items such as the guttering and downpipes are due for replacement and form part of the planned works programme.. It makes economic sense to replace the rainwater goods when carrying out extensive fabric repairs. As the concrete is already painted, once the repairs are carried out, these surfaces will require redecoration. The only item that could reasonably be deferred would be the resurfacing of the hard landscaped areas. The resurfacing is not part of this consultation exercise.

Following on from the above, I can see that there are a number of critical works and an additional contribution might be required. My individual contribution comes in at £14,000 with VAT and admin fees included. This is approximately 10% of the total cost of the flat. Given that Aster's describes itself as 'An ethical housing developer and landlord to benefit society' I fail to see how it can justify forcing such exorbitant sum on leaseholders living in arguably the most disadvantaged estate in Andover. If by only carrying out essential work immediately this figure could be brought down to a more affordable level it would be taking some steps toward adhering to its motto.

At the residents meetings and also in some conversations with individual leaseholders, we were asked to combine all the works into one contract. Some suggested works such as the rain screens on the walkways and infilling the walkway walls which have been removed from the proposed works as they almost doubled the cost as priced by our tenderers. We have all items that we consider to be non-essential.

I would like to ask how Aster can justify its Administration fee and exactly what leaseholders are getting for this sum. 15% of the total cost of £4,843,511 amounts to £726,526 – quite a 'contract administration' fee

The fees for consultants etc. related to this project are in excess of £300k + VAT (£420,000). Several members of staff at Aster have spent the majority of their time over the last three years working on this project. The anticipated final contract cost is likely to be around £3.5m rather than £4.8, so the 15% is more likely to be closer to £525,000.

<p>I plan to get clarification on this issue via the Leaseholders Advisory Service, but I am interested to learn Aster’s thoughts on whether these works are bringing the building up to modern day building reg standards rather than maintaining the building as per the standards of the day when it was built. For example increasing the depths of the steel reinforcements to modern standards or replacing doors that were fine at the time of installation with ones meeting modern day fire standards.</p>	<p>As you may be aware, current building regulation standards are not retrospective.</p> <p>At time of construction, reinforcement should have had at least 25mm of concrete cover. It was actually built with 10mm of concrete cover in some places. It was not built to the recommendations in force at the time, that is why the steel is rusting and causing the concrete to crack. If not treated and repaired, the concrete frame will eventually fail.</p> <p>We are not as a matter of course replacing any doors. We are expecting to replace those doors that have been replaced with non fire doors since the current regulations came into force. Those doors should not have been fitted.</p> <p>We are not attempting to bring the buildings up to modern day building standards, simply repairing what is there and replacing those parts where repair would cost more than replace.</p>
<p>nowhere in the correspondence could I see any indication of when this sum is likely to be due. Is it likely to be this year?</p>	<p>Costs will be recovered via the service charge from 1st April 2017</p>
<p>The timing of your correspondence is very unfair as the period for response is shortened.</p>	<p>The time allowed for consultation is set by the Section 20 legislation and this was adhered to.</p>

My comments are as follows:

Price quoted for work and lack of any detail

The price quoted for this work is £xx plus VAT/Admin which totals £xx This represents a large amount of money to the leaseholders in York Court.

From what I can see of the paperwork that he has received, there is no actual breakdown of what work is planned specifically for his flat and what each item would cost. There is a list of the work that is planned for the common areas but again there is no price against each item. To ask someone to pay £xx for a job with no detailed specification seems extremely unprofessional – I can't imagine any scenario in the real world where you would be expected to pay this amount of money with no detailed quotation. I also note that you cannot confirm that the figure quoted will be the total figure and there could be additional costs.

Lack of maintenance at York Court and Aster's responsibility

I note from the minutes of the meetings that have taken place over the last year or so with the Residents Committee that there are serious accusations made against Aster Housing with regard to maintenance of the buildings at Kingsway Gardens. It seems that nothing has been done with regard to looking after the buildings with neglect of the gutters a key feature. Keeping gutters cleared is something the average householder does every year as a matter of course and by doing the job regularly, avoids damage and much more cost further down the line. I understand countless requests have been made over the years

Very little of the work will be inside any of the flats. Works access to balcony areas etc will be via a scaffold or equivalent equipment. In some instances there may be a need to remove the patio door and side screens to carry out the work to the wing wall. For this reason the costs are shown per block rather than to individual properties. Cases of severe financial hardship will be discussed with leaseholders on an individual basis. We have had reports over the past years about the need for gutter clearing and have records of every report being attended. In addition, gutters are cleared on a regular cycle. It became apparent as the trees around the estate have grown that this cycle needed shortening. The cycle has been shortened and is now set at 12 months.

to have this done, and where it was reported that there were problems, nothing was done about it.

As a final point of the subject of lack of maintenance, Synergy Housing (Part of the Aster Group) put together a presentation, part of which had examples of where the buildings were defective. One slide shows some pretty vigorous grass growing in a gutter – with the quote 'Blocked gutters including vegetation'. This would be laughable if it wasn't so serious. Aster are effectively showing how they have not maintained the buildings in even the most basic way i.e. keeping gutters cleared and are trying to use this image as an indication of poor design. Even if you eventually replace all the gutters, at different angles with horizontal runs etc. – if you don't clear them on an annual basis you are going to have exactly the same problems.

Leaseholders responsibilities

1) Poor design?

If so what authority approved the design

2) Sub standard construction practices (building control)

3) Are the main contractors still operating

4) Poor maintenance (Aster is responsible for the maintenance)

5) Why if problems were reported to Aster or Test Valley in 2007 (10 years ago) were they not addressed at the time, or made know so when search were carried out we were told before purchasing.

6) Why has it taken all this time to determine that there is remedial work needing to be carried out now, this hasn't happened overnight.

7) Aster are deluding themselves if they think every property are in a position to afford this

8) What is the unit cost per flat for replacement of the windows and doors

9) Some properties have replaced windows and doors surely the properties that have already replaced windows and doors are to be unfairly penalised

10) It should be down to the discretion of every property owner to determine whether to make these changes regarding replacement windows and doors.

The building was originally built by the Greater London Council (GLC) in the 1960's. It is understood that soon after original construction, there was a court case where poor design or construction caused numerous problems within the buildings as they then were. Following a financial settlement in the 1970's, the building layout and external appearance was changed in the 1980's to the blocks being as you see them today. There have also been a number of subsequent changes such as windows and patio doors being changed, besides that, some residents have altered balcony floor coverings.

The investigations we have been carrying out in the last two or three years show that either when originally constructed or when converted, concrete cover to the reinforcement was only 10 mm rather than the at the time recommendation that it should be 25mm (now 50mm). .

The balcony walls were built as two single skins of brickwork with a 10-12mm gap between in some instances there is polystyrene beading between the skins and in other places there is a fibreboard panel. Over time, rainwater has been able to cross from the external face to the internal face of the brickwork and find its way into the dwellings, principally due to the design and detailing used. None of these works are to do with poor or ineffective maintenance.

Prior to the severe winter storms of 2013, there was no reason to suppose there was any need for detailed investigations.

However, the rainwater goods and the asphalt balcony & walkway coverings are at the end of their life expectancy and their deterioration can be seen in various places. As indicated

11) Even if this is implemented, Aster will need to be more imaginative in their financing regarding how these banded figures of 17 - 20k is going to be repaid.

It seems to me that the inclusion of replacement windows and doors to the remedial work is a effort by Aster to soften the blow

WELL IT DOES'NT

Personally at our ages we haven't the resources to fund this cost My partner and I own a flat each at Stuart Court and we have no possibility of raising between 30 - 40k to fund this and frankly why should we, through someone else's negligence

• Sinking fund: Please can you confirm the Sinking fund for Atholl Court. Please can you explain why the sinking fund has not been managed to mitigate the cost of major repair work, I see no evidence that Atholl Court has any available funds. At no point have I been made aware that Aster have not been generating a "sinking fund" to smooth out the cost of this kind of work. More importantly, how does Aster intend to manage a sinking fund in the future? Please provide evidence of your plans for the future. An efficient property management company should ensure that the service charge is managed to ensure leaseholders do not have to face another situation like we are experiencing now.

• Errors in paper work: Some of the key documents you have sent have significant errors. Letters dated on the 16th

earlier, the inability of the asphalt coverings to prevent water finding its way into the concrete structure has resulted in localised corrosion of the reinforcement.

It has also been found that on occasions the deterioration has resulted from changes that individual residents have carried out.

Leaseholders will be advised of the level of the sinking fund for their property on an individual basis. Sinking funds vary from block to block, not all blocks have a sinking fund.

In future sinking funds will be in place and the 30 year maintenance plan will be used to assist in setting the level of contributions required to the fund. Individual cases of financial hardship will be discussed but as a general principle only those living in the property as their main home will be considered.

We are charging VAT based on current HMRC rules and the work that is being carried out is not exempt from VAT. which attract full VAT . No we cannot claim VAT back.

<p>December (ref S20H0002) feature my flat address, but mention the works are applied to a range of courts which Atholl does not feature. The mistakes made give me no confidence in Asters written communications.</p> <ul style="list-style-type: none"> • Repayment opportunities: Why will you only explore repayment opportunities if you live in the property? • VAT: Why are you charging me VAT? Can you claim VAT back? 	
<p>B:- Who is carrying out the contract administration and was it tendered for? At 15% this is an exorbitant figure.</p> <p>C:- What happens if people have to leave their homes whilst work is on-going, who pays for any costs involved?</p>	<p>It is not anticipated that leaseholders will be required to leave their homes but Aster is making property at KWG available for emergency use.</p>
<p>The first quoted figures for this major repair project, found in a letter dated 28 January 2015, suggest a "best current estimate" of £2.07m. I was led to believe that this (or subsequent variations) would be averaged across all the leasehold flats, 120 in total, giving a figure of £17,250 per unit. How can it be that, in the recently proposed tender, this has risen by 134% to almost £4.84m. Although this tender includes Atholl Court (40 further units I believe), this represents a per unit average of £30,272.</p> <p>In the observations attached to your letter dated 16 December, 2016 you state that "most of the items relate to the way the</p>	<p>We are restricted by the S20 legislation in terms of the notices and letters that have to be sent out as part of the consultation process. Information is also available on our website which may be in a more user friendly format.</p>

buildings were originally converted in the 1960s or refurbished in the 1980s”.

It is my belief that prior to the refurbishments the flats were tenanted, and that no leases were let until the second half of 1986.

If that is the case, how could these leaseholders be expected to know that they were buying potentially sub-standard stock. That must clearly be the responsibility of the freeholders to make them aware of the risks. One must query the legality of the leases, whichever variation of lease the subsequent buyers signed.

In the last observation answer, you refer to a ‘model lease’. What is a model lease, and how many variants are in existence. I would have expected the same lease would apply to all occupants.

On a general note about Aster Group.

The quality of your various letters is far below what I would anticipate from a company with you aspirations. Simple spelling and grammar is clearly not always checked, and information is often not presented in a format that is clear to people, allowing for confusion and misunderstanding on the recipients part. A good example is in the observations attachment, bulleting and alignment of the Q & A’s section would have made this and other letters much easier to comprehend.

I suggest it would do the company image no harm either.

I write in response to your letter of 16th December 2016 and he proposed works and costs. I have another letter written to you on 13th December, but I have since had an opportunity to look at the quotes and discuss some points with Christine Alexander.

Following my discussion with Christine, I would like to raise these additional points.

Christine has said she would get back to me on some of these points separately as well:

1) Is there a sink fund for Atholl Court? If so, how much is it and has it been deducted off Atholl Court's portion of the costs? If there is no sink fund, could you explain how our service charge money is currently spent?

2) In your letter of 31st March 2016, in response to a leaseholder's question, you implied that there would be no more 'big bills' going forward. However Christine mentioned that there was a 30 year plan for future works, and the work being carried out now is only what is absolutely essential. What works are listed in the 30 year plan and can you confirm that these costs are going to be absorbed in the service charge?

3) The quotes from Stepnell say, in the 'Rate' column 'Included' every so often. By that does it mean that that item is 'included' in the sum immediately above? It also says 'note' periodically. What does that mean?

4) On 26th September we received letters advising that we must replace doors if they were not compliant with current fire safety legislation. I asked Christine about this and she said these plans had effectively been shelved for the time being whilst you look into the need for it. However replacement

. Aster does not own the shops, no works are being carried out to the shops by Aster.

Where Stepnells have used the word 'included' it means that the price for that is included with a price elsewhere in the document. Typically a previous item, sometimes a later one on the same page, sometimes on the next or preceding page.

Aster does not own the shops, no works are being carried out to the shops or any units numbered 1-10 by Aster.

doors are included in the quote from Stepnells. Presumably this is to be taken out, and if so has it been reflected in the quote given in the letters of 16th December?

5) I asked Christine about how and when we would pay for this work. She explained that it would be added to our normal service charge, so effectively our quote would be divided by 12 and charged monthly. She did say that the fee given was only a quote and might well change when the contractor starts to investigate the full scale of the work. She did say that the service charge procure is quite complicated, but that if the total cost of works turned out to be higher than originally quoted, this would be added to the service charge too. She mentioned that it would probably be the middle of the year before the new the exact cost. If by then we have started paying monthly the original quote via our monthly service charge payments, will any extra amount be added to the 2018 – 2019 service charge bills?

6) Christine said that Aster does not 'own' the shops along from Atholl Court. Could I therefore confirm that no work on the shops are being carried out at our cost?

The above points are mainly procedural, but my main grievance relates to the necessity of the work. We were sent a letter on 16th December and we were invited to look at the quotes. I asked Christine if I could look at the structural engineers reports, since this presumably is what Stepnells have based their quote on. Christine said that I couldn't look at the reports for copy right reasons. I rang back later to clarify whether it was that I could not take a copy or whether I could not look at them. I'm waiting to hear back on this point. If it's the latter point though, it would raise an issue of transparency. I have read the report from Stepnells. It is very detailed and contains

terminology that you would not expect the average leaseholder to understand and building standards that only an expert could put into context.

No doubt if I were able to look at the structural engineers report I would find much to help me.

I therefore either accept Aster's word that this work needs doing, or arrange, ideally with my fellow leaseholders an independent structural engineer report and then discuss with them their thoughts on whether the work is required. Given that the letters were sent on 16th December and the consultation period ends today, I don't feel this is enough time to arrange an undertaking of this scale. I therefore request that MORE TIME is given before any action is taken, or contracts signed.

In the event that this request is denied, this is my only opportunity to question the necessity of the items mentioned in the quote. As above I'm not an expert but below using a layman's view I have tried to comment on the complex issues referred to in the quote:

- 1) Page 45 G – Can we not just replace underfelt at eaves in places where there are signs of damp rather than repairing the whole roofline?**
- 2) Page 46 – 47 – replacement of rainwater goods. Do these really need total replacement, can't it just be cleaned and repaired where problems have been identified?**
- 3) Page 47 – 48 – replacement of fire doors. As above, we have been told we need to pay for this separately, and can find our own contractors to do it if necessary. Also, do doors need to be bought up to modern day standards, or just the standards of the building when originally built?**

Specific Points,

- 1) We could just replace that but in order to replace it and for the repair to be effective, it is necessary to have an overlap of the new sections with the existing all round. As a result almost all of it would need replacing anyway and it cannot be ascertained how much needs repairing until the gutters are removed. Repair would almost certainly cost close to the total replacement and would not be as effective.
- 2) There are up to 36 joints in the existing downpipes and the ground. Some sections of down pipe are horizontal and have joints in them Downpipes are designed to run downhill and any joints are almost certain to leak. The redesign of these to reduce or eliminate these flaws necessitates complete replacement. The gutters themselves are at the end of their useful lives. Whilst we replaced a lot of the joints in them two years ago (at no cost to leaseholders) where they had failed, all need replacing. In order to replace the joints, the gutters need to be dismantled. Again, the cost of dismantling, replacing all defective parts, re-assembling and refitting will almost certainly cost more than repair.
- 3) We are not replacing fire doors as a matter of course.
- 4) We carried out (at Asters cost) some urgent repairs to the

- 4) At several points (e.g. page 51 and 52) there are references to rectifying 'recent repair'. Are we having to pay for this? Surely if recent repairs have been unsatisfactory the original contractors are obliged to sort it?**
- 5) Page 54 point B seems to relate to general deep cleaning. Should this sort of thing not be included in our normal service charge, rather than through 'Major Works'?**
- 6) Page 58 - Are you doing adhesion tests and resurfacing on all walkways? Can't you just repair walkways which are clearly worn or unsafe and repair other walkways on an ad hoc basis when they become worn?**
- 7) Page 62 – Is it really essential that balustrades are removed for the resurfacing works? Is it not possible to work around them?**
- 8) Page 64 – Are the current expansion joints faulty? Could we not just be replacing damaged ones?**
- 9) Page 65-67 – It doesn't effect me, as I don't have a balcony, but I'm astonished at the work being carried out on the balconies. It seems as though they are almost being entirely re-built. Is this really the only and most cost efficient approach?**
- 10) Page 68 – Decorations – Does everything really need redecorating? Can we not just target areas that look tired. Certainly my garage door is immaculate!**
- 11) My main query is about the steel re-inforcements running through the building and associated repairs. I feel strongly that this is an area on which I would like to get further clarification. I have no idea about how strong they need to be, or how much concrete needs to cover them. It looks as though the contractor is going to do random tests to see whether steel reinforcements have corroded and then do repairs. Without**

- concrete frame where there was a danger of lumps of concrete falling off. We did the amount necessary to prevent that happening in the knowledge that the entire concrete frame needs work. so no, you have not paid for the 'recent repair' and those repairs have resulted in the estimate you have received being lower than it otherwise would have been.
- 5) This refers to cleaning the accumulated debris off the concrete prior to the application of the faring coating. Pressure washing at this temperature and pressure is not a normal cleaning activity.
- 6) We could do that but the cost is likely to be higher by doing it piecemeal and the overall job would result in numerous patches. Patches on asphalt are prone to failure at the joints in the same way that patch repairs on a road are. As you comment on earlier, it was requested that we carry out works so there will be no 'big bills' going forward.
- 7) No it is not possible to work around them In order to protect the reinforcement, the concrete needs a faring coat which effectively increases the protection of the concrete cover, 1mm thickness of fairing coat is around the same protection as 10 mm of concrete. This coating needs to be applied everywhere.
- 8) We will only be replacing those that need replacing but as these are made from fibreboard (like noticeboard material) all the ones we have seen have perished.
- 9) this is answered elsewhere.
- 10) As the building will be scaffolded, it is far more cost effective to redecorate entirely. We are also carrying out extensive works to the concrete and the walls. This is certain to have an effect on the external decorations and the concrete will need painting once the repairs are carried out.
- 11) There is an explanation about the concrete repairs

**specialist knowledge I am entirely unable to consider whether this is 'necessary'.
Could you confirm that Aster Group has de-registered as a housing association and whether they are a not for profit organisation.**

elsewhere.

Aster have not de-registered and are a not for profit organisation

1) Based on previous attempts of external works to the property, I noted my concern in our meeting about the value for money of the works being proposed. These fears were curtailed slightly within our conversation in which we spoke about the addition of an on site project manager/foreman and the residents having their own appointed "quality control staff". I will also instruct my tenants to document any and all works carried out on my specific property.

6) Dis repair. There is certainly evidence of disrepair of the buildings and a lack of inspection by the managing company. The number of light bulbs that have burnt out on the walkways certainly shows a clear lack of maintenance. Aster took over the leases of these buildings from the previous owners as a going concern and certainly would have completed due diligence throughout the purchase process as to the fabric and lifespan of the buildings. Why were these issues not raised and monitored previously.

7) In the completion of the urgent investigations and subsequent estimate of cost of repairs there has been no acceptance of the fact maintenance has not been at a standard it should have been even though it is clearly evident through my personal dealings and the current portfolio of complaints from other residents that the service being provided to paying lessees has been below standard, what assurances are given for an improvement in the future.

There will be a dedicated on-site manager, a dedicated housing officer and regular visits from the Aster project group to ensure work is carried out in line with the specification. Items such as blown light bulbs are replaced as and when they are noted at our routine inspections or when reported to us by residents. Equally, we have responded to both repairs requests and carried out routine maintenance on all the buildings. We have records of these going back many years. There are also a number of instances, including during the investigations over the last two years or so where we have made appointments with householders and on arrival, there has been no answer at the door. In those instances we cannot carry out a repair as there is no way to access the location for any repair required so we cannot carry it out.