

Date: 4th June 2009



Your Reference:

Our reference: Reactive Repairs

Contact: 020 7974 2813, 4452, 3624, 7100, 1854

The London Borough of Camden
Home Ownership Services
Bidborough House
20 Mabledon Place
London
WC1H 9BF

The Leaseholder(s)

Dear Sir/Madam,

Notice of Proposal to enter into a Qualifying Long Term Agreements for Reactive Repairs and Void Works

Property Address:

Please find enclosed our second stage notice of proposal to enter into a long-term agreement with a contractor for the provision of day-to-day repairs to the councils housing stock in Camden Town District Management Committee Area.

We are also proposing to enter into a long-term agreement with a contractor for the provision of work to void properties in the South of the borough which includes the following wards: Kentish Town, Cantelowes, Camden Town with Primrose Hill, Regents Park, St Pancras and Somers Town, Bloomsbury, King's Cross, Holborn and Covent Garden.

We ask that you take some time to read this letter and its enclosures as they contain important information for you.

How will this Proposal Affect Me?

The contractor selected for day-to-day repairs will respond to the day-to-day repairs required to your block and estate, which you may be asked to contribute towards in accordance with the terms of your lease. The contractor selected for the work to the void properties will be responsible for carrying out any work required to void properties in your block, if any. Should this include items such as window frame repair/renewal, structural repairs etc, which you are responsible to contribute towards in accordance with the terms of your lease, you may be asked to contribute towards the cost of this work.

You will only have to contribute towards these contracts if this work is carried out to your block or estate. If your contribution towards any one item of work is less than £250 then it will appear in your next actualised service charge account. However, if your estimated contribution towards any one item of work should exceed £250 then the council will consult with you by way of a schedule 3 notice. This notice will give you the opportunity to make observations on the work before it proceeds. You will then receive a separate invoice for this amount.

An exception to this will be emergency works that may need to be carried out urgently.

Should you have any questions regarding this letter, please do not hesitate to contact the Capital Service Charges Team on one of the above telephone numbers.

Yours sincerely,



Regan Cossill
Acting Senior Capital Service Charges Officer

**NOTICE OF PROPOSAL TO ENTER INTO QUALIFYING LONG TERM
AGREEMENTS**
Section 151 Commonhold and Leasehold Reform Act 2002 - Schedule 2

To all leaseholders residing on the estates and properties within the following wards the Camden Town District Management Committee Area and also leaseholders residing in the South of the Borough and their respective Recognised Tenants Associations:

1. Intention to carry out works:

This notice is given pursuant to the Notice of Intention, issued on 7th August 2008, to enter into a long-term agreement for the provision of day-to-day repairs (also know as reactive repairs) and to enter into a qualifying long term agreement for the provision of work to void properties.

We propose to enter into a long-term agreement with a contractor for the provision of day-to-day repairs to the councils housing stock in the Camden Town District Management Committee Area which includes the following wards: Regent's Park and St Pancras and Somers Town.

We are also proposing to enter into a long-term agreement with a contractor for the provision of work to void properties in the South of the borough which includes the following wards: Kentish Town, Cantelowes, Camden Town with Primrose Hill, Regents Park, St Pancras and Somers Town, Bloomsbury, King's Cross, Holborn and Covent Garden.

We are proposing to enter into these agreements for a period of 18-month (with the option of extending them to 36 months).

2. Summary of Tenders

We have obtained estimates by means of competitive tendering, the financial details of which have been summarised below. The tenders have been evaluated on a ratio of 60% price : 40% quality / technical ability. Please note that due to the complexity of the tender returns, they appear in the table below as consolidated unitary rates. Each tender document can be inspected at the drop-in-session outlined below, where you can also ask questions relating to the estimates from Camden officers.

These contracts were tendered in the European Journal, which allowed every major construction company within Europe an opportunity to tender. These agreements will not be entered into until this stage of the consultation is complete and after Camden gave due regard to any leaseholder observations received within the observation period.

REACTIVE REPAIRS CONTRACT

PROPOSED TENDERER:	Consolidated Unitary Rate
Building Maintenance Division (Holmes Road, Holmes Road Depot, London, NW5 3AP)	£1,629,844.78

OTHER CONTRACTOR WHO TENDERED FOR THE WORKS:	Consolidated Unitary Rate
Tompkins & May Partnership (Suite 27, Space House, Space Business Park, Abbey Road, London, NW10 7SU)	£1,777,406.03

VOID CONTRACT

PROPOSED TENDERER:	Consolidated Unitary Rate
Building Maintenance Division (Holmes Road, Holmes Road Depot, London, NW5 3AP)	£2,474,392.13

OTHER CONTRACTOR WHO TENDERED FOR THE WORKS:	Consolidated Unitary Rate
Tompkins & May Partnership (Suite 27, Space House, Space Business Park, Abbey Road, London, NW10 7SU)	£2,314,913.03

Although Tompkins & May Partnership have submitted the lowest priced tender for the void contract it was decided to restrict the value of the contracts awarded to them following a financial assessment of the company. We are therefore proposing to enter into the contract with the second lowest tenderer.

3. Camden's Proposal

Camden proposed to appoint Building Maintenance Division for the reactive repairs the Camden Town District Management Committee Area. Camden also proposes to appoint Building Maintenance Division for the void works in South of the Borough.

4. Right to Inspect Camden's Proposals

You are invited to inspect all relevant documents at The Camden Town Hall, Committee Room 2, Judd Street, London, WC1H 9BJ, on **24th June 2009** between the hours of 5pm and 9pm.

5. Summary of Stage 1 Observations

The legislation requires us to summarise the observations received at stage 1 in the consultation and our responses. These are summaries below:

Summary of Stage 1 Observations	
Observation	Response
We want good quality affordable contractors.	The proposed draft tender report includes sections on contractor's obligations. There will be penalties and defaults for contractors who do not produce the level of work we expect in the correct manner and to a pre-arranged time schedule.
It would be helpful to have an emergency number leaseholders could call for repairs.	The councils repairs line is open 24/7 and deals with emergencies. The number is 020 7974 1212.
I assume the council is outsourcing the current contract?	Yes.
Please ensure work carried out is to the benefit of the household and not the workforce.	Yes.
When we know the name of the contractor you will appoint for our area?	At the next stage in the leaseholder consultation.
The rates accepted from bidders should be categorised into day rates and lower rates if work takes longer.	Contractors will be asked to tender rates for work which will vary depending on the time it will take to complete.
Clarify the number and term of the contracts and what repairs the contracts will cover	One contract per district to be entered into, for all day-to-day repair works, for an initial 18 months, with possible extension to maximum 36 months.
What is the definition of a long term agreement (LTA)? Why are 5 agreements being created? How is work currently being carried out?	A LTA is defined as an agreement exceeding 12 months. The 5 agreements are to be created to ensure efficient and timely repairs. There is a current LTA for repairs, which is being re-tendered.
Any works carried out should be charged correctly	Works will be charged under approved Schedule of Rates and will only be charged if actual works have been done.
Will these new agreements replace the agreement with BMD? How will I contact the contractors relating to works required for my block? Will Schedule of Rates be available? Why is there no reply paid envelope?	The new agreements will replace the current agreement with BMD. The Council Repairs team will remain main point of contact. Schedule of Rates/tender documents will be available at next stage of consultation. Envelopes are not included in borough-wide consultations.

Why do you consult if no notice is taken of observations? We have had poor work done and have had to pay for it. I have had to pay for repairs to the internal parts of my property.	Leaseholder observations are given due regard, and if appropriate alterations may be made to a proposal for works. Any reports of poor repair works undertaken need to be reported to the Repairs Team. Any works to the internal part of your property is your responsibility as the leaseholder.
I will arrange repairs to my property and opt out of this contract.	The Council advised of what work it is responsible for and that leaseholders cannot opt out under the terms of their lease.
Scaffolding should not be left in place for too long and should be removed if not used for 2 days. Scaffolding poses a security risk to flats. Scaffolding is very expensive.	Scaffolding erected under Major Works are normally priced at a fixed rate. Scaffolding used under a long term agreement is costed on a Schedule of Rates. Scaffolding needs to remain in place until the final inspection has been done and works signed off. Under the proposed tender, contractors are required to remove ladders and render the scaffolding as un-climbable as possible and can also be alarmed where necessary.
What works would be undertaken under this contract? How would I be recharged? What is the impact of this contract on estimated service charges? Is a contract cost effective?	Reactive repairs to the common parts would be undertaken under this contract. Repairs are recharged to leaseholders, based on their rateable value of their flat. Estimated service charges are actualised each year, based on any actual works carried out. The contract allows Council to undertake cost and time effective repairs, based on an agreed Schedule of Rates.
I am a new owner and have not been able to contact the Tenants Association for my property, so you have the details	Contact phone number and mailing address for Chair of the Association provided.
Please advise if the successful contractors will be paid an annual retainer	The contractor will only charge for works actually completed and will not receive any annual retainer
There will be no control over the cost of works if a contract is entered into.	One of the main reasons for entering into the agreement is that it is a more efficient method of managing ad-hoc repairs and therefore more economical (costed on a Schedule of Rates, providing certainty on costs)
What control/supervision is provided for works?	Contractors are required to undertake works to an appropriate standard and to reasonable cost. Any issues should be reported to the Repairs Team.
This agreement will only benefit the contractor	Council will enter into the contract for reactive repairs and will ensure that the contractor will have available man power, finance and time to carry out all the orders the Council will be placing.
Another Spending by the Council with Leaseholders paying for tenants	Existing term contract due to end. Leaseholders do not contribute to works that do not affect the communal areas of their block or estate.
Will defects from major works be recharged to leaseholders or to the contractor?	Defects reported within the liability period will be addressed by the contractor. After the defects period then leaseholders will contribute towards the repairs

Would it be possible to have an electronic version available to check by internet?	The Council will look into your observation regarding having electronic version available on the internet for future consultations.
Not a good time to enter into a long term agreement with prices in the industry falling and reports of collusion between contractors	Property values are decreasing in the current economic climate while the cost of delivering repairs and maintenance keeps increasing. The Council considers term contracts for works of this nature as a cost affective alternative to other methods.
Will like to see exact detailed basis of the benefits of a long term agreement	Detailed benefits for renewing the current expiring term contract were itemised
We have recently paid for major works. I have no money for additional works	The day-to-day repairs contract is for the provision of repairs on a reactive basis.
I have outstanding repair works and no one has done anything about it?	Please contact the Council repairs line on 020 7974 1212 to report the matter.
Since we cannot nominate contractors, I would like works carried out to be properly supervised.	This contract aims to provide this.
I will arrange repairs to internal parts of my property. Council to be responsible only to common parts	The repairs contract is limited to internal repairs in tenanted properties and communal repairs to the block and estate.
The contract should have a schedule of response times between notifications and repairs. Recording and tracking contractors response times. A schedule of financial penalties if contractors do not perform.	One of the main reasons for entering into the agreement is that it is a more efficient and economical method of managing ad-hoc repairs. There will be penalties and defaults for contractors who do not produce the level of work we expect in the correct manner and to a pre-arranged time schedule.
Will like to see a guarantee for a third party to undertake post work inspection	No third party will be appointed. Currently after day to day repairs are carried out, residents are able to contact the Repairs Team on 020 7974 1212 for a follow up inspection if required.
I have outstanding repair works (List included) which is your responsibility	Please contact the Council repairs line on 020 7974 1212 to report the matter.
Major works have just been completed and do not expect more charges. I already pay service charges.	The notice is for reactive repairs. You only pay towards repairs if they are carried out to your block/estate.
Still paying for major works and cannot afford to pay more especially in this current climate.	I appreciate the fact that in the current economic climate it is very difficult for some leaseholders to keep up with all the financial outgoings in relation to their property. The Council will always tailor the collection of service charge bills to the circumstances of individual leaseholders.
No supervision of work if contractors do shoddy jobs and we are expected to pay.	Apologise for feeling contractors do not provide a good service. The Council is always looking to improve its services to all its residents and long term repairs agreement is one way of achieving that.
Hours for examining relevant documents not enough. Electronic copy should be available on line	The Council will look into your observation regarding having the documents available on its website for future consultations. Leaseholders are able to make arrangements by appointment to view the documents throughout the 30 day notice period.

<p>I will like to have future notices by e-mail if possible as I am out of the country often</p>	<p>Home Ownership Services are assessing the possibility of sending consultation notices by varied means. Unfortunately at the moment we are only able to send the notices by post. We are able to attach a second address to our mailing list if it differs from your leasehold address.</p>
<p>I will not be happy if it involves incurring extra cost.</p>	<p>This contract is a renewal of the already existing term contract. Camden's schedule of rates is in line with the national schedule of rates</p>
<p>Major works have just been completed to the property. Please explain how these contracts will affect leaseholders?</p>	<p>The notice is for reactive repairs. You only pay towards repairs if they are carried out to your block/estate. Contract is to maintain the structure of the building.</p>
<p>Where a contribution involves myself, I would like to be informed of any repair to the building before it is undertaken at any price.</p>	<p>Leaseholder will be notified through statutory consultation if contribution to proposed works is £250 or more. If less than £250 it will be part of annual service charges.</p>
<p>Have not a clue what it is about, please explain</p>	<p>There is a current Reactive Repairs agreement for unplanned works required to maintain housing stock. We are consulting on a new proposal as the existing agreement expires at the end of the financial year. These works are usually identified by residents who inform our Repair Team or by surveyors on walk about inspections</p>
<p>Instead of employing the maintenance staff - workforce you are hiring contractors to do day-to day repairs - so why I have to pay for your expense? I should not get charged for this work. I am not agree to do or to pay for this type of service charge</p>	<p>Under the terms of your lease in Clause 3 under the tenants covenant with the landlord, you have agreed to pay a contribution towards the Landlords cost for repairs and maintenance to your block and estate. This can be found in sections 3.1 and 3.2.1.</p>
<p>Hope that any repair will be charged properly</p>	<p>Under the terms of your lease you have agreed to pay a contribution towards the Landlords cost for repairs and maintenance to your block and estate. Costs incurred by the landlord for day to day repairs are apportioned to leaseholders in line with the terms and condition of their lease agreement.</p>
<p>Can we refuse to have work done? Do leaseholders get charged for work on empty flats</p>	<p>Leaseholders cannot refuse the works as such, however, should a leaseholder raise an observation that the works are not required or should be altered in some manner, and the Council agrees that this is reasonable, then this will be followed. Work to vacant flats is generally not recharged to leaseholders. The only time work to a void flat would be recharged to a leaseholder is if structural work was required.</p>
<p>Do I pay towards work in tenants flats?</p>	<p>Leaseholders do not contribute to works carried out within tenant's dwellings. You are only obligated to contribute towards works carried out within the external and internal communal areas of your block or estate.</p>

<p>Will this planned day to day contract being negotiated with contractors mean we will no longer be charged for the Council's existing workforce? Or will we be expected to pay for both services?</p>	<p>As a leaseholder you have to contribute to annual service charges and also planned major works carried out to your Block and Estate. These are in line with the terms of your lease and are necessary to keep your property and estate in a good state of repair, which is the Council's statutory obligation as the freeholder. Under the terms of your lease, you will only be invoiced as part of your annual service charge any reactive day to day repairs carried out to your Block and Estate. If there are no repairs carried out, then any amount charged on your annual estimated invoice will be adjusted in your actual invoice for the financial year.</p>
<p>We object to this method</p>	<p>As stated in section 3 of the notice, one of the main reasons for entering into the agreement is that it is a more efficient method of managing ad-hoc repairs and therefore more economical. This method of managing the Council's reactive repairs gives us certainty on price, as it will be based on agreed schedule of rates,</p>
<p>Are these additional charges</p>	<p>Under the terms of your lease, you will only be invoiced as part of your annual service charge any reactive day to day repairs carried out to your Block and Estate. If there are no repairs carried out, then any amount charged on your annual estimated invoice will be adjusted in your actual invoice for the financial year.</p>
<p>If you are saying that I need to pay an additional £250 per year then I want to know</p>	<p>The proposed agreements are for reactive repairs, which is work that cannot always be planned for. For example, it will cover works such as broken window frames, damp proof coursing and roof leaks. Leaseholders will continue to be consulted and billed for works in the same manner as they are under the current contract. Should a leaseholder's contribution towards a repair job be less than £250, their contribution will be added to their annual service charge. Should a leaseholder's contribution towards a repair job be greater than £250, the Council will write to them outlining the works and their contribution, then invite them to make written observations. This contribution will then be invoiced separate to their annual service charge.</p>
<p>I do not want this contract awarded to Apollo / Apollo did a bad job last time.</p>	<p>Noted. Contractors will be asked to provide references for work previously carried out.</p>
<p>I have no money for additional works</p>	<p>You will only be invoiced if work is needed to your property.</p>
<p>There is a problem with my fence being used as a way to get into the park.</p>	<p>Noted. This is an antisocial issue that should be reported to the DHO. (Details of DHO provided.</p>
<p>The council recently carried out repair work and I want to know how much it is going to cost me.</p>	<p>I have contacted repairs and they will provide you with further information.</p>

I am not happy with the possibility of charges payable by leaseholders of £250 depending on the type of work to be carried out.	Noted
The current repair service is excellent and any change will be to the detriment of the service.	The current agreement is due to end, therefore we must retender the contract.
We want details of possible service providers	These will be given at the next stage in the leaseholder consultation.
I do not have an understanding of all the alternatives to comment.	The proposal is for the provision of day-to-day repairs.
I would like to know the legal and internal councils costs for agreements of this type.	The council estimates this cost at much less than 0.1% of the overall contract value.
Surely the relevant documents could have been made available on-line? Do Camden Council actually consider that this (the change of consultation limit from £100 to £250) is in the best interests of their tenants and leaseholders? The key question as to whether tenants and leaseholders are likely to pay more (or less) for individual repairs? What protection will tenants and leaseholders have against poor performance from their designated contractor? Can the contracts be terminated due to poor performance? If not, what incentive will contractors have to deliver on what they have promised during the tender? No details have been given as to how Camden council has ensured that its tenants and leaseholders will receive "value for money"? How can the Council guarantee that this will be the case?	The landlord must specify where the proposed works can be inspected and at what time. There is no change in the consultation limit. The exact cost of the contract will not be known until it is tendered. Tenants can apply to the LVT for work that is sub-standard; however the Council would like to investigate this first. The contract can be terminated due to poor performance. We will evaluate contractors on a value for money basis.

6. Observations

We invite you to make written observations in relation to the proposed works by sending them to:

Regan Cossill
London Borough of Camden
Home Ownership Services
20 Mabledon Place
London
WC1H 9BF

Or email capitalservices@camden.gov.uk quoting day-to-day repairs and void works.

Observations must be made within the consultation period of 30 days from the date of this notice. The consultation period will end on **6th July 2009** and all observations should be received by this date.

Signed on behalf of Camden as landlord:



Regan Cossill
Acting Senior Capital Services Charge Officer
Home Ownership Services
4th June 2009

