



Homes for Haringey

21 July 2006

**NOTICE OF INTENTION TO ENTER INTO A LONG TERM AGREEMENT
(Section 20 of the Landlord and Tenant Act 1985 (as amended) and Schedule
2 of the Service Charges (Consultation Requirements)(England) Regulations
2003)**

Dear Leaseholder(s)

Leasehold Property Service Charge:

Leasehold address:

**Long Term Agreement relating to the housing capital works programme,
including meeting the decent homes standard**

I am writing to inform you that the Council, as your landlord, proposes to enter into a long term agreement, details of which are given below. The Council is required to consult all leaseholders who may be affected, in accordance with Section 20 of the Landlord and Tenant Act 1985 ("the Act") and Schedule 2 of the Service Charges (Consultation Requirements)(England) Regulations 2003 ("the Regulations"). The Regulations require the Council to serve you with a notice of intention to enter into the agreement and in due course the Council will have to serve further notices, as is explained in the Explanatory Note which accompanies this letter. This letter is the notice of intention. Under the Regulations this notice must contain the following information.

- 1. Description of the agreement.** The Council is planning to enter into what the Act calls a "qualifying long term agreement". This an agreement which lasts for more than 12 months and concerns works to be carried out

to the building or estate in which you are a leaseholder. This agreement will relate to the area in which your property is located. It is mainly required to enable the works necessary to achieve the targets associated with the Government's Decent Homes Standard which is explained in paragraph 5 below. It will be one of up to 4 equivalent agreements covering the Borough. The number of contractors and the geographical division of the Borough will depend on the response received from contractors to the invitation for tenders. It is probable that each area will be covered by one contractor who will enter into a standard type of agreement with equivalent conditions, to be responsible for the undertaking of all the necessary works under the agreement.

The types of works, for which you will be liable to pay a proportion of the cost by way of service charge, will relate to the upgrading of the structure and external fabric of the building and the communal areas. They will include the replacement of roofs and windows and the cyclical redecoration of the outside of the building and the communal areas. They will also include works to estate areas, such as landscaping, replacement of paths, provision of fencing and so on. Other works will be undertaken internally to the flats of rent paying tenants, but leaseholders will not be liable for any of these costs except where they are concerned with the structure of the building.

The Council is proposing to appoint contractors that are capable of carrying out the full range of the different works required, including specialist works described in paragraph 5 below. The contractors will need to have the expertise both in planning the details of such works and also in their execution.

- 2. Duration of the agreement.** The agreement is planned to run from January 2007 for a period of four years with the option to extend.
- 3. Value of the agreement.** The total cost of all works throughout the Borough is envisaged to be in the range £200million - £250million, subject to the Council obtaining approval of its Arms Length Management Organisation Decent Homes funding bid (due to be submitted by 31st July 2006) and subject to passing an inspection by the Audit Commission (inspection scheduled for 30th April 2007). This means that the full extent of works will only proceed if these two approvals are obtained.
- 4. Reasons why the agreement is necessary.** It is necessary to provide adequate work capacity to deliver 100% decent homes within the borough by 2010. The agreement will enable the Council to enter into a partnering arrangement with each of the successful contractors to carry out the works.

- 5. Reasons for undertaking building works.** Under the terms of the agreement, the Council proposes to undertake building works relating to the Decent Homes Standard and the Council's Capital Works Programme that may result in charges to leaseholders in excess of £250. The Decent Homes Standard has been set by the Government as a requirement for all social housing landlords to meet by 2010. To achieve the standard the property must comply with the following criteria:
- It meets the current statutory minimum standard for housing. Dwellings (homes) below this standard are those defined as unfit under section 604 of the Housing Act 1985 (as amended by the 1989 Local Government and Housing Act).
 - It is in a reasonable state of repair.
 - It has reasonably modern facilities and services.
 - It provides a reasonable degree of thermal comfort.

The Capital Works Programme will target planned maintenance and external decorations that fall outside the scope of the Decent Homes Standard and this will be combined with the Decent Homes works under this agreement where it is beneficial to do this because of efficiencies.

More details about these matters can be obtained from the Government's website at www.communities.gov.uk (Department for Communities and Local Government).

- 6. Observations.** You are invited to make any written observations you may wish to make regarding the proposals contained in this notice. If you wish to do this, you must submit them to this office in writing to be received within the relevant period which is a period of 30 days from the date of this notice, that is by 19 August 2006. All observations must be received by this date. Observations should be sent to me at the following address: Home Ownership Team, 13 – 27 Station Road, Wood Green, London, N22 6UW.
- 7. Reason why the Council is not inviting nominations from leaseholders.** In the case of the proposed agreement the EU requires the Council to notify the agreement in the Official Journal of the European Union because of the amount of money involved. Where it is necessary to issue such a public notice (as in this case), the right of leaseholders to nominate a contractor or obtain estimates does not apply.

The public notice must give details and invite tenders from suitable contractors in respect of the proposed agreement. In view of this requirement, the Regulations state that it is not possible for leaseholders themselves to propose a person or contractor to tender for the contract, as would otherwise be the case. The regulations also state that leaseholders must be informed of this fact.

- 8. Further consultation - Notification of landlord's proposal and subsequent works.** Upon receipt of the tenders/estimates, we will send you a further notice of the Council's detailed proposal in accordance with the Regulations which will inform you of the proposed contractor and provide you with a further opportunity to be consulted about the proposed agreement. After that, where works are proposed which may result in charges to leaseholders in excess of £250 per property, the Council is required by the Regulations to consult you further about them.
- 9. Cost of the works.** As a leaseholder you will only be liable for costs incurred under the agreement where it results in the undertaking of works to the building or estate in which your property is situated. Under the terms of your lease you will then be liable for a proportion of the costs incurred on your building or estate. No modernisation work will be carried out inside your flat, unless structural work is required, and you will not be liable to pay for internal, non-structural work in other people's flats. It should also be noted that some leaseholders will receive a copy of this notice even though it is not likely that the Council will undertake works to their building under the agreement. This is for legal reasons with respect to the issue of the notice.
- 10. Explanatory Notes.** I enclose Explanatory Notes which have been prepared by the Council. They are not required under the Regulations but we are providing them as part of the Council's best practice policies. The Notes provide some additional information and try to cover all aspects of the statutory consultation procedure regarding this proposed agreement. I hope you will find them helpful in understanding the Council's proposals and the consultation procedure.

Yours sincerely



Nesan Thevanesan
Home Ownership Manager

Enclosures:

1. Explanatory Notes on the Consultation Requirements (Schedules 2 and 3).
2. Partnering – a better way of managing works contracts