

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

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To the Leaseholder of xx Galatea Square

**5 September 2024**

The Leaseholder  
xx Galatea Square  
Peckham  
London  
SE15 3PL

*Reference:* cwg-24/083P6  
*Contact:* Joe Sheehy  
*Tel:* 020 7525 7640

*LBS Property:* xx Galatea Square  
*Property Ref:* xxxxx

**Consort Estate QHIP Major Works Contract**

**The council is proposing to carry out refurbishment & fire safety major works to your block at 11-25 Gatatea. In this Notice you will find details of what works are proposed and why, how much the work is estimated to cost and details on who to contact if you have any questions.**

**Why are we writing to you?**

We are writing to you to consult on the details of this proposed work and the reason why it is required, to tell you what your estimated service charge contribution towards these major works will be and to invite leaseholders and Recognised Tenants Associations (RTA) to make observations.

Section 20 of the Landlord and Tenant Act 1985 and the Commonhold and Leasehold Reform Act 2002 requires the council to consult leaseholders on works where their service charge contribution will amount to £250 or more. This is called Section 20 consultation.

Your contribution towards this work is estimated to be £36,551.19 and will be invoiced in March 2025. Details of the charges are set out within.

This notice is **not an invoice** and the council is not yet seeking any payments. However, if you are selling your property you should advise your solicitor that you have received this notice or visit [www.southwark.gov.uk/homeowners](http://www.southwark.gov.uk/homeowners) for more pre-assignment information.

Further information on your service charge and payment options is provided on the enclosed sheet.

## **Statement of proposed works**

The contract covers blocks of flats at Galatea, Huguenot & Vivian Squares, Manaton & Wivenhoe Closes, Scylla Road & 31-45 Philip Walk plus tenanted houses along 6-44 Heaton Road, 13-18 Huguenot Square & 22-40 Philip Walk, a total of 407 properties. A general outline of proposed contract works for 11-25 Galatea is:

- Fit fire barriers inside loft space. Install cross corridor fire doors across corridors & fire compartmentation inside block. Create stairway ventilation, replace plastic cabinets to electric meters by flat doors
- Renew present flooring cover to landings & stairway with decorative resin coat flooring
- Repair deteriorated areas of roof covering. Renew roof soffit, fascia & rainwater drainage. Provide scaffold for access to work at heights. In loft, fit loft fire barriers. Bring level of loft insulation up to adequate standard
- Renew block's communal door entry door with new steel frame, door, closing & opening controls & glazed screens
- Replace worn balcony floor spartan tiles & repair damaged asphalt underneath. Resurface in elastomeric weather proof coating
- Repaint landing & stairway ceilings & walls in Class 0 fire retardant paint. Redecorate other previously painted surfaces on block exterior & within block
- Repair block's external concrete & brickwork. Clean & apply protective coating to concrete surfaces & renew any damaged exterior cladding slates. For all windows, overhaul & repair as needed to leave in long term good working order

A & E Elkins, is the council's long term partnering contractor for your area and is proposed to carry out the works. The combined works to all homes are estimated to cost £17,238,251.18. The contract is expected to take 120 weeks to complete with a 12-month defects period.

The work will be carried out under a Qualifying Long Term Agreement (QLTA), which is a contract or agreement between the council and a contractor to provide works or goods and services for a term of more than twelve months. The council is committed to securing the best price for work that is needed. This agreement enables the council to compete to get the best prices in the market by committing to a long term relationship with a contractor, and to take advantage of its position as a large organisation with a large amount of stock to maintain in order to negotiate the most competitive rates.

The schedule of rates costs for this contract were established under competitive tender. They will be continually monitored to ensure that costs under this agreement are competitive.

## **Why is the council proposing these works?**

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

- To prevent possible flame & smoke spread in a blaze fit corridor fire doors & stairway ventilation. Carry out compartmentation of spaces inside the block & remove non fire-resistant materials from public areas
- Existing stairway flooring is in poor state & no longer capable of being kept in satisfactory state by repair. In consequence fit new hardwearing floor covering

- Areas of slates & roof lead work need repair. Present gutters, downpipes, roof soffit & fascia need renewal due to deterioration over time. Loft fire breaks are needed for fire safety. Present loft insulation level allows excess heat loss.
- The existing door entrance doors are aged & at 30 years at the end of their working lives. They can no longer be kept in repair at economic cost. Replacement is required to prevent intruders from accessing the block
- Wear & tear to balcony tile flooring allows water penetration to the underlying asphalt base which needs repair. Resurface balconies with weatherproof coating to prevent future damage
- Fire safety regulations require Class 0 decoration along walls & ceilings of exit routes inside block. Non -Class 0 redecoration to protect exterior timber & metal from the elements & maintain appearance of block interior
- Due to wear & tear over time, overhaul & repair is needed to keep windows in satisfactory working order. Likewise, over time, exposure to the elements damages concrete, brick faces, mortar & cladding slates which now require repair

**Your estimated major work service charge**

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

You have a 1 bedroom property and are therefore assigned 5 units. There are a total of 75 units allocated to your building. The cost of rechargeable works to your building is £467,127.81. Your proportion of the cost of works to your building is:

$$\frac{5}{75} \times £467,127.81 = £31,141.85$$

Your estimate for this contract is therefore:

Major works to your building	£467,127.81
Your Contribution	<u>£31,141.85</u>
Professional fee @ 6.70%	£2,086.50
Sub Total	<u>£33,228.36</u>
Administration fee @ 10.00%	<u>£3,322.84</u>
Estimated Service Charge	<u><u>£36,551.19</u></u>

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

## How do leaseholders make legal observations?

Section 20 allows leaseholders to submit written observations regarding the proposed works in this contract, within 30 days from the date of this notice. If you would like to make such observations, they should be addressed to:

Mr Joseph Sheehy  
Service Charge Construction  
PO Box 71994  
160 Tooley Street  
London  
SE1P 5FW

Or online: [www.southwark.gov.uk/observation](http://www.southwark.gov.uk/observation)

Observations must reach the capital works team by **Monday, 7 October 2024**. When making written observations please include the property address and contract reference code, which can be found on the front page of this notice, on all correspondence.

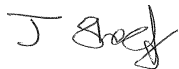
### Further information

The detailed estimates for these works, as well as the information contained within this Section 20 notice, can be inspected at the council office at 132 Queens Road, London, SE15 2HP - Monday to Friday between the hours of 10am and 4pm.

An appointment is necessary to view the estimates, however if you would like to discuss this contract in detail or to arrange a more convenient time to inspect the estimates, please telephone to make an appointment. Alternatively, a copy of the detailed estimates can be sent out but this may incur an administration charge of £28.00. A copy can be sent out by email free of charge where possible.

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

Yours sincerely



Mr Joseph Sheehy - Service Charge Construction

Tel: 020 7525 7640

[www.southwark.gov.uk/observation](http://www.southwark.gov.uk/observation)

## **Information about your service charges**

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

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

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

### **About your estimate**

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

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

### **Administration and Management Fees**

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

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

### **Section 20 Legislation**

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

### **Calculating your proportion**

Your lease states the council may adopt any reasonable method for calculating your service charge and may adopt different methods in relation to different items of costs and expenses.

Service charges are fairly proportioned between all properties in your building. The council pays the proportion relating to rent-paying tenants from the rents received. The cost of services to tenants is not subsidised in any way by leaseholders.

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

### **Repayment of service charges**

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

- Payment of interest free monthly instalments over 48 months. Please note that if the standing-order payments do not commence promptly, upon receipt of the invoice, and if any payment is missed then this scheme will no longer be available and you will be required to pay in accordance with your lease. This option is not available for leaseholder's who sublet their property.
- We may be willing to offer a discretionary service charge loan, which would help you to pay by monthly instalments over a period of up to 25 years at 1.5% above the base rate of the National Westminster Bank plc, provided there is sufficient equity in your property to cover the loan. There is an application fee which covers the council's costs in securing the loan against the property; this amount can be added to the loan.

Further details on these and other payment options will be included with the invoice. Should you require any further information in this regard, including confirmation of interest rates, please telephone the capital collections team on 020 7525 1449.

### **Homeowner involvement**

Everyone who lives in or owns a council home can attend their Local Housing Forum. At these meetings you can take part in discussions with council officers and councillors on a wide range of housing related topics.

Additionally our online Residents' Panel gives you the opportunity to get involved in decisions that affect you and where you live, even if you can't attend meetings. You can find out more by visiting <https://www.southwark.gov.uk/housing/housing-getting-involved/>

### **If you are selling your property**

If you are selling your property you should advise your solicitor that you have received this notice or visit [www.southwark.gov.uk/homeowners](http://www.southwark.gov.uk/homeowners) for more pre-assignment information.

Prelims	£966,194.25
Pre- Commencement Costs	£52,074.70
Non-rechargeable Pre Commencement Costs	£95,793.64
Contractor Profit & Overheads	£957,720.99
Design	£318,513.57
Scaffolding	£1,485,061.60
Measured Works	£13,362,892.43
Total	£17,238,251.18

Block Scaffolding £46,443.50

Specification Item	Re-chargeable	Non-Rechargeable	Total	Description of Works
<b>Bill 16- Rechargeable Works</b>				<b>Communal Work- Costs shared by leasehold &amp; tenant flats</b>
Section B Roof	£27,344.72		£27,344.72	replace deteriorated areas of slates, tiling battens & lead work in the roof covering, renew ridge tiles. Renew loft insulation to prevent excessive heat loss. Renew soffit, fascias & barge boards to roof
Section C Windows	£20,723.52		£20,723.52	To flats, ease & adjust windows, replace worn handles, hinges, restrictors, trickle vents & any damaged glazing. To communal windows, undertake full renewal
Section C Cladding	£3,750.00		£3,750.00	Renew areas of damaged or deteriorated cladding slates
Section D Communal Doors	£51,054.87		£51,054.87	Fit powder coated steel portcullis door entry door to block .
Section E Concrete	£14,584.01		£14,584.01	Test & repair cracking in concrete in wall structure then jet clean & apply protective anti-carbonation coating .
Section E brickwork	£3,900.00		£3,900.00	Repoint as required & repair any defective brick faces, fit Helical bars across areas of brickwork cracks
Section F Communal Staircase	£39,865.16		£39,865.16	Supply & fit new floor coating to staircase landings & stairway
Section F Private Balconies	£25,279.01		£25,279.01	Remove spartan tiles, repair damaged asphalt balcony floor surface, apply elastomeric coating to weather proof & protect surface.
Section G Redecoration	£33,772.50		£33,772.50	as required for fire safety, repaint internal communal areas in TOR Class 0 fire retardant paint
Section G Redecoration	£9,279.73		£9,279.73	Redecorate external paintwork on main entrance, woodwork & throughout block exterior
Section H Drainage	£5,263.82		£5,263.82	Renew all guttering & rainwater downpipes
Section H FRA Fire Safety Work	£50,871.47		£50,871.47	For fire safety fit FD30(S) cross corridors doors on the various floors of the block to prevent fire spread. Replace to FD30(S) standard doors to electric meters cabinets beside flats, install ventilation to staircase to disperse smoke if blaze occurred, fit fire safety signage. Fit fire rated loft hatches & carry out fire compartmentalisation to communal areas
Section H FRA Fire Safety Work	£50,000.00		£50,000.00	fire safety compartmentation allowance for loft fire breaks
Section J temporary lighting	£745.00		£745.00	Temporary lighting to enable work to loft
Section K Risk Items	£7,500.00		£7,500.00	Provision for asbestos removal
Section K Risk Items	£10,000.00		£10,000.00	Expenditure provision for any additional work identified on site
Section K Risk Items	£5,000.00		£5,000.00	Provision to fit bin bays in bin store locations.
Section J Landlords EICR communal electrics	£830.66		£830.66	Safety check on communal electrical supply system to block
<b>Non -Rechargeable Works</b>				<b>Costs towards which leasehold flats do not pay</b>
Section B Roof		£3,652.43	£3,652.43	Roof repair in respect of garages
Section E brickwork		£780.00	£780.00	Brickwork repair in respect of garages
Section F Private Balconies		£5,055.80	£5,055.80	private balcony repair in respect of garages
Section G Redecoration		£692.28	£692.28	Redecorate garage doors - not recharged to leaseholders
Section H FRA Fire Safety Work		£8,000.00	£8,000.00	Garage area fire compartmentation -not rechargeable to leaseholders
Section A		£603.47	£603.47	Relocate TV aerials/ Sat TV dishes for work access- not recharged to leaseholders
<b>Totals measured works</b>	<b>£359,764.47</b>	<b>£18,783.99</b>	<b>£378,548.45</b>	
<b>Prelims</b>	<b>£26,012.51</b>	<b>£1,358.16</b>	<b>£27,370.67</b>	
<b>Pre- Commencement Costs Rechargeable</b>	<b>£2,781.82</b>	<b>£145.24</b>	<b>£2,927.07</b>	
<b>Contractor Profit &amp; Overheads</b>	<b>£25,784.39</b>	<b>£1,346.25</b>	<b>£27,130.64</b>	
<b>Design</b>	<b>£8,575.23</b>	<b>£447.73</b>	<b>£9,022.96</b>	
<b>Scaffolding</b>	<b>£44,209.40</b>	<b>£2,234.10</b>	<b>£46,443.50</b>	
<b>Totals</b>	<b>£467,127.81</b>	<b>£24,315.47</b>	<b>£491,443.29</b>	

Rechargeable Block Cost

£467,127.81

**Notification: Service Charge Account 2024/25**  
**Account Number:**  
**Property Reference:**  
**Property address: xx Galatea Square, London, SE15 3PL**  
**Date: 05/09/2024**

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**Service Charges previously notified:**

Estimate Service Charges previously notified for 2024/25 £4,189.52

A breakdown of this service charge, how it has been calculated and what is included was issued to you on 14/02/2024

**This Section 20 - Major Works Service Charge:**

Estimated Major Works Service Charge for 2024/25. £14,620.48

This is the percentage of the total estimated amount in the attached Section 20 notice that Southwark estimates will be incurred this financial year. It comprises of 40% of the estimated service charge amount in the attached notice. The remainder of the amount will be notified on in future years. Please see the Q&A on the next page for further information.

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**Total notified for the year 2024/25 payable quarterly in advance in accordance with the terms of your lease.** £18,810.00

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**What is this Notification?**

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

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

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

**What is the previously notified Service Charge?**

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

**Do I have to start paying now?**

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

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

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

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

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

If you want to pay in this way you should contact the collections team, who will calculate your payments for each quarter and set up a payment arrangement for the full estimated service charge for the year. You can contact the collections team on 0207 525 1449.

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

# Service Charges: Summary of tenants' rights and obligations

## Introduction

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

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

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

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

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

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

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

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

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

**7. If your landlord:**

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

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

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

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

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

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

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

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

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