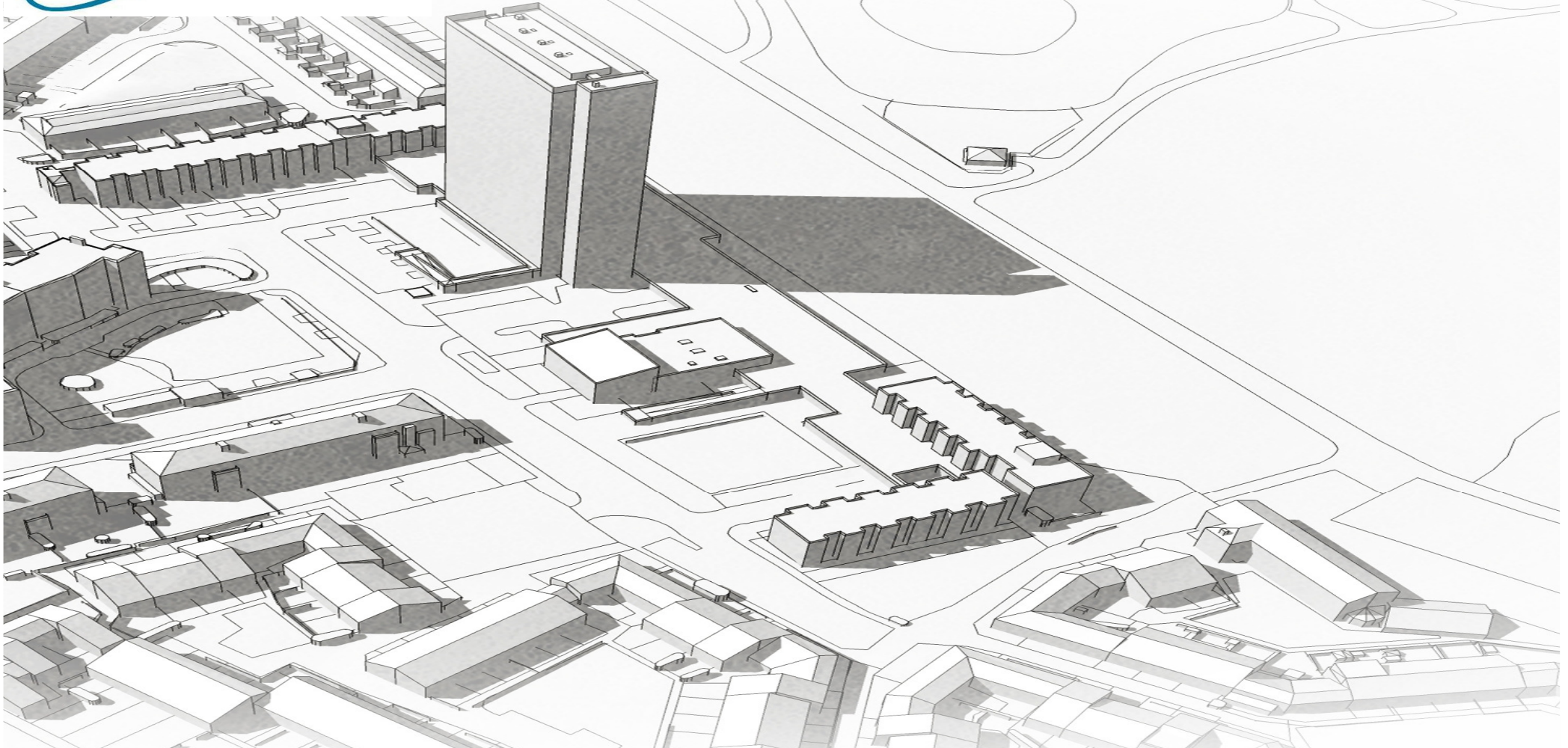


## THE PREFERRED OPTION



## ENHANCED REFURBISHMENT WITH A PART RETENTION AND PART DISPOSAL OF MAYDEW HOUSE

If you would like further information, please contact Diana Hall on 0207 525 7724 ([diana.hall@southwark.gov.uk](mailto:diana.hall@southwark.gov.uk)) or Neal Purvis, your Independent Resident Advisor on freephone number: 0800 073 1051 ([nealpurvis@tiscali.co.uk](mailto:nealpurvis@tiscali.co.uk)). If you require information in your own language, please contact 0207 525 5000

**Maydew House**

**Thaxted Court**

**Damory House**

**Enhanced refurbishment programme of works**  
Works to the blocks are currently scheduled to begin in 2015/16  
We are looking at ways of bringing this date forward

**Once works are completed what will happen to Maydew House?**

- The block stays in council ownership
- Half of the properties will be kept as social rent units for council tenants
- Half of the properties will be sold as leasehold units

**Refurbishment to the Enhanced Standard means that over the next 30 years, repair needs will be reduced**

The works that have been proposed will ensure that the blocks will need less major works in future years, and that the need for day-to-day repairs will also reduce.

**The works proposed in the enhanced refurbishment standard for all three blocks are:**

**External works including:**

- Concrete and brickwork repairs
- Repair / renewal of roofs
- Repair / replacement of windows
- Replacement of existing front entrance doors with fire resisting doors

**Works to communal areas including:**

- Repairs to doors and windows in communal areas and staircases
- Repairs to handrails and floors in communal areas
- Redecoration of existing decorated surfaces to include fire resistant coating
- Fire safety works
- Asbestos removal where necessary

**Works to areas directly external to the block including:**

- Testing and repairs to underground drainage
- Repair / renewal to landlord lighting
- Works to garages / pram stores
- Car park works, landscaping and works to podium
- New access ramp and stairs for Maydew House

## Maydew House



- Full kitchen replacement/renewal
- Full bathroom replacement/renewal
- Renewal of electrics and heating installations
- Installation of smoke alarms, fire doors, extractor fans, entry phones
- Asbestos removal

## Thaxted Court & Damory House



- Kitchen renewal only to those kitchens that are assessed as 20 years old and beyond their reasonable life
- Bathroom renewal only to those bathrooms that are assessed as 30 years old and beyond their reasonable life
- Renewal of electrics and heating installations
- Installation of smoke alarms, fire doors, extractor fans, entry phones
- Asbestos removal

**These works would not be carried out to leasehold properties**

**Where it is advised as necessary for health and safety reasons, residents of Damory House and Thaxted Court may be required to vacate their home for periods of up to 6 hours.**

Some of the works proposed will involve shutting down the existing heating/hot water system and installing a temporary system for the low-rise blocks. This will result in no heating and hot water for a brief period of time. During this time we have been advised it would be better for residents to leave their properties while these works are carried out. You may have to leave your home for up to 6 hours until the works are complete.

The Council's Major Works team, in consultation with residents and the contractor, will ensure that there are appropriate facilities and security arrangements in place for any resident who is required to temporarily leave their home. The exact nature of those facilities will be discussed with residents before any work is carried out on site.



## Implication of works: Maydew House

**Under this option, the Council would retain the freehold of Maydew House, keeping half the block as social rented and selling the other half as individual properties.**

**It would allow current and former secure tenants of Maydew House to be given the option to return to the block once works are completed. The number or size of homes in Maydew House would not change. Those who need a property larger than 2 bedrooms could not be offered the option to return.**

**The Council is considering placing a number of the private sale units on the top floors of the tower as this could provide a higher sale value.**

**The remaining social rented and private sale units would be mixed across the remaining floors of the block.**

Under this option, the following would take place

### **Internals:**

- The physical layout of all dwellings will remain the same
- All properties would have:
- a full strip out
  - new heating and water pipes installed
  - new kitchens
  - new bathrooms
  - hard wired smoke alarms installed
  - fire resistant doors installed
  - updated door entry systems
  - individually controlled thermostats with the new heating and hot water system to control room temperature

### **Externals**

- The access and lift arrangements would stay the same
- No additional properties would be built
- The ramp and staircase in front of the block would be removed and that area made into a landscaped car park
- The garages would be refurbished
- There would be some soft landscaping to the communal areas to make them more appealing
- The ground floor goods lift would be reinstated
- The 1<sup>st</sup> floor of the block would be refurbished as a community type facility for the estate
- Updated CCTV installation
- Overcladding the tower to increase the life of the block, insulate it and make it more appealing

# Implications for leaseholders: DAMORY & THAXTED

**Council officers from Homeownership Service will be at the drop in session on 21 February to answer leaseholder queries**

PLEASE NOTE: The figures below are budget estimates produced for the option appraisal and should not be treated as final. Once further surveys have been done and specifications drawn up the charges may well vary considerably – they could go either up or down. Before any refurbishment work starts on the Abbeyfield Estate the Council will be carrying out ‘section 20’ consultation with you. You will be issued with a notice based on the final specification of works which will include an estimated service charge based on the prices received from the contractor.

Based on budget estimates we have estimated the costs to leaseholders of the enhanced refurbishment option over 30 years. This is shown in the table below. Column 3 shows what we think the cost of work will be for leaseholders for this round of works. We have also estimated what the costs of maintaining this refurbishment standard over 30 years will be, assuming that major works are done to the low-rise blocks every 10 years. Column 6 shows you what we estimate the total cost to be over 30 years.

<b>Preferred Option – Option 3: Enhanced refurbishment with a part retention/part disposal of Maydew House</b>					
1. Block	2. Property size	3. Initial capital cost	4. Maintenance cycle 1 (after 10 years)	5. Maintenance cycle 2 (after 20 years)	6. Cost over 30 years
Thaxted Court	1 bed	£25,675	£30,334	£4,173	£60,182
	3 bed	£35,945	£42,467	£5,842	£84,254
Damory House	0 bed	£21,448	£23,017	£2,750	£47,215
	3 bed	£37,534	£40,281	£4,813	£82,628

**Notes**

The cost that you will be consulted on as part of section 20 consultation will be the cost identified in column 3 – Initial capital cost. Please note that this is a budget estimate only. The initial capital cost will be updated once further surveys have been done, specifications drawn up and prices for works have been received from the contractor.

The costs identified in columns 4 and 5 are costs that we have modelled in order to understand what the long term costs of the preferred option might be.

**Repayment options are shown on the following slide**

## Payment options

Before any works are carried out on the Estate, the Council will consult with residents and leaseholders fully. Following on from the finalisation of works costs and Section 20 leaseholder consultation, leaseholders will be issued with a service charge bill. The Council has a range of repayment options for leaseholders.

### 1. Interest free loans

Payment can be made over a period of up to 48 months in equal, monthly instalments. Payment will need to be made immediately, and missing a payment will mean that the entire outstanding amount will become due, with interest being added until the balance of the invoice is paid. This options is not available to leaseholders who sublet their properties

### 2. Loan with interest

You will be charged interest on these loans at the rate stated in the terms of your lease (usually 5% above the base rate of the NatWest bank). You may negotiate a payment period of up to 10 years, but interest will be charged on the outstanding balance. This is an unsecured debt.

### 3. Service charge loan

This is effectively a mortgage on the property and can be repaid over up to 25 years. Interest will be charged, but the rate is lower than for option 4, which is unsecured debt. We will charge a £498 arrangement fee to cover our legal, valuation and administrative costs, but this can be included in the loan. You may also approach your existing lender or any other finance company for a loan

### 4. Voluntary charge on your home

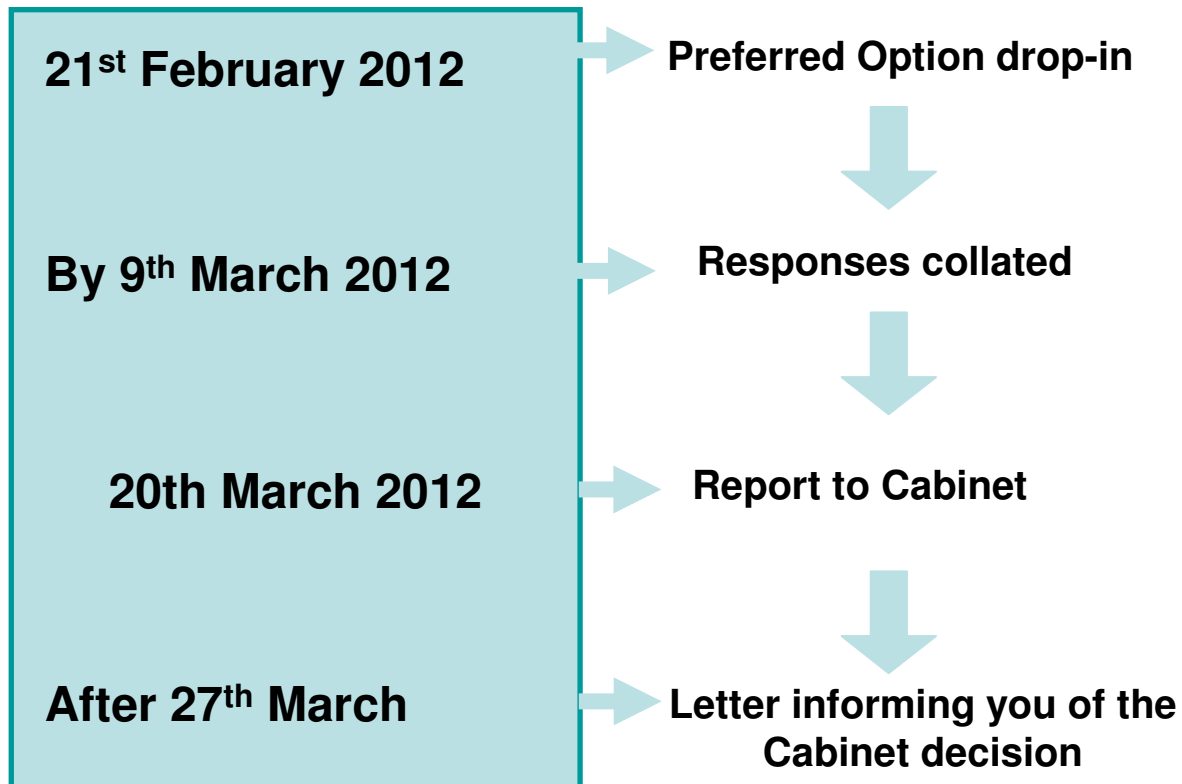
If you cannot afford option 3 then we may consider allowing you to secure the debt through a voluntary charge on your home. This means that you do not have to make any payment and the debt, including interest, will be repaid when your home is sold.

### 5. Equity share/ equity loan

We can also offset major works service charges by taking an equity share in your property, either by way of a surrender of the right to buy lease and granting of a shared ownership lease, or by way of a legal charge. In both cases we need to do a valuation of the property to see what the works cost is as a percentage of the value

**To find out more** about the Council's repayment options you can contact Chris Flynn, Housing Services, Southwark Council on **0207 525 0830**





### If the Cabinet agrees the preferred option then..

After you have received a letter from us informing you of the Cabinet's decision and timetable, work will begin to implement the preferred option of enhanced refurbishment.

The Council's Major Works team will manage the implementation of the enhanced refurbishment. They will get in touch with Abbeyfield Estate residents to begin the consultation process prior to works being carried out to your homes. When the Major Works team contacts you, they will provide you with contact details for the Council Officers who will be leading on this for the Abbeyfield Estate.