

To all Leaseholders and Triathlon Homes Sub-Leaseholders

**Calla House, Coville Mansions, Fortuna House, Karner House, Kotata House, Mara House, Maya Apartments, Meander House, Merle Mansions, Tayberry House and Zeller House.**

East Village  
London E20

**15 April 2021**

Dear Sir/Madam

**Section 20 Landlord and Tenant Act 1985 as amended by Schedule 4(2), Section 151 Commonhold & Leasehold Reform Act 2002**

**Response from the EVML Cladding Project team to comments received in response to the Statement of Estimates dated 4<sup>th</sup> February 2021 in relation to localised cladding replacement and associated works to Calla House, Coville Mansions, Fortuna House, Karner House, Kotata House, Mara House, Maya Apartments, Meander House, Merle Mansions, Tayberry House and Zeller House.**

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We write further to our letter of 4<sup>th</sup> February in which we set out details of the estimates received in respect of the 2<sup>nd</sup> phase of the ACM cladding project. This covered the proposed replacement of the cladding following removal of all the unsafe ACM cladding materials last year. The one month consultation period ended in March and one set of comments was received in response to that letter. The comments are copied below and the response of the project team to each comment is set out in blue. We have taken the opportunity to provide a general update on the project at the end of this letter:-

Resident response: "You have asked whether we wish to make any observations regarding the statement of estimates for the cladding work to be carried out. In order to make an informed comment, it is important for us, as leaseholders of one unit in Plot N07, to know the maximum amount of money we could potentially be expected to pay. To that end we would be grateful if you could answer the following questions":

- 1. Can you confirm that the costs set out in the table on Page 2 of your letter represent the total cost for all aspects of the surveying, cladding removal and replacement and that no further costs are anticipated to leaseholders in N02 and N07?**

Response:- The table referred to covers the tendered costs for the work which will take place throughout 2021. In addition there are professional fees associated with the project as well a portion of the cost of the directly employed EVML cladding remediation team. The total cost of the project also includes the cost of the removal of the ACM during 2020, details of which were provided at the time. The latest projection of the full project costs including the ACM removal, replacement of the cladding and all associated fees and VAT is £4.98 Million. Of this total, £3.07 Million is attributable to plot N02 and £1.91 Million to plot N07.

Service charge expenditure in each financial year is independently certified by external auditors. The project was initiated in late 2019 and will not conclude until the end of 2021. As the East Village financial year runs from 1<sup>st</sup> April to 31<sup>st</sup> March, the project costs will traverse 3 financial years. Due to contingencies and provisional sums there may be some fluctuations in price whilst the works are in progress on site and the precise final cost of the works will not be known until they have been completed and signed off. In each set of annual accounts we will highlight any costs relating to the ACM project in a separate schedule to the usual service charge expenditure

We can confirm that the Government funding available under the MHCLG ACM Cladding Remediation Fund should cover the majority of costs that would otherwise be borne by Triathlon Homes and its Sub-Leaseholders. It will also cover a limited portion of the costs incurred by Get Living, due to the different rules that apply to Private Companies. MHCLG has agreed to the funding of all eligible costs and following close scrutiny of the terms of the funding offer this has been accepted by the Directors of EVML. The Greater London Authority are administering the fund for the MHCLG and we understand that they will be writing to each leaseholder informing them of the amount of grant funding attributable to their particular apartment.

**2. What portion of the total cost is expected to come from works required in communal areas, in both N02 and N07?**

Response:- Under the East Village lease provisions (and indeed leases generally) all external structural components are considered to be a communal liability. For this reason there is no separation or distinction between cladding on the outside face of an apartment or house and that located on the outside face of an internal common parts area.

**3. Will the total cost be divided by the number of units in N02 and N07, with the leaseholder or sub-leaseholder for each unit billed accordingly? Or will the cost to each unit (and corresponding leaseholder/sub-leaseholder) be based on the actual amount of work required for that unit? (Some units have little or no cladding in need of replacing, while other units have more extensive cladding).**

Response:- All Service Charge costs at East Village are apportioned by reference to floor area in accordance with the lease provisions. The cost of the work to each of the blocks within the 2 plots along with associated fees will be apportioned to all the leaseholders/sub-leaseholders of properties in those specific blocks. The larger the unit, the higher the contribution. The location of the affected cladding within each block is not taken into account for the reasons set out in the response to point 2 above.

**4. Assuming the former situation (that costs will be divided by units), the following would seem to apply:**

- **There are 298 units in Plot N02 and 317 in Plot N071 , for a total of 615 units.**
- **According to your letter, the preferred tender is from GPF Lewis at £2,466,619.14 exclusive of VAT. Assuming VAT of 20% applies, that means a total cost of £2,959,942.97.**
- **£2,959,942.97 / 615 units = £4,812.92 per unit cost**

Response:- As mentioned above, this is not the method of apportionment used at East Village. The share of the costs to be met by each leaseholder will depend on the cost of the work to the block in which their flat is located and on the area-based service charge percentage for which they are liable. The MHCLG funding is also allocated on this basis.

5. Can you confirm that if you engage your preferred supplier, GPF Lewis, and that even if no money is received from the Private Sector Cladding Remediation Fund, the highest bill to be passed to leaseholders of one unit in either N02 or N07 will be £4,812.92?

Response:- We feel it would be helpful to respond on the full project costs and not just the replacement costs that you have referred to. Taking the latest projection of the full project costs as outlined in our response to point 1 above the sums that will be attributable to the largest unit in each of the 2 plots (both of which are town houses) will be £19,782 for plot N02 and £19,622 for plot N07. At the other extreme, the lowest amounts will be £2,986 for the smallest apartment in plot N02 and £5,128 for the smallest apartment in plot N07. These figures will be significantly offset by the income we will receive on your behalf from the MHCLG's fund.

By way of a general update we confirm that we have placed orders for the works to all the blocks to be undertaken by GPF Lewis. The contractors are currently carrying out surveys in preparation for site set-up and the work will start in early summer with completion expected in mid-December. We will shortly be writing to all residents with an update about what to expect.

If Triathlon leaseholders have any queries, please contact [buildingsafety@triathlonhomes.com](mailto:buildingsafety@triathlonhomes.com)

**Yours faithfully**



**Peter Anderson**  
**Estate Director**  
**East Village Management Ltd.**