

## Response to Section 20 submissions

### Notice of Intention to carry out Works Where a Public Notice is NOT required

Response from the Southern Housing Group Building Safety Team to comments received regarding the Section 20 letter for the Notice of Estimates, providing notification of the estimates to carry out building safety surveys across many of our buildings as part of our Building Safety Programme to ensure they meet fire and building safety requirements.

In this paper, we set out details of the estimated costs for the investigations as part of the programme and invited residents to submit their comments on the estimates.

The consultation period for comments and questions ended on 4 October 2021 and we received several comments and questions across all our properties. Many of these were similar in nature, and so where there are similarities, these have been collated and responded to as one.

### General Questions

Please can you clarify exactly what works will be carried out to justify these costs?

We have drawn up a specification of necessary works. In outline the elements of this work are as follows:

1. Type 4 intrusive FRAs (to include roof spaces, plant rooms, bin store locations), to enable SHG to confirm compartmentation between floors is 60 minutes.
  - Consideration of the suitability of the evacuation plan with regards to any vulnerable customers.
  - Review of all fire safety equipment (AOVs, emergency lighting, fire alarm systems etc.) and documentation
  - Specific consideration as to whether SHG shall need to retrospectively fit sprinklers.
2. Individual Type 4 intrusive FRAs for flats (around 10% flats of the total block).
3. The creation of floor plans for each block.
4. The building materials used in the construction of the block for future enquiry purposes.
5. A catalogue of photographs of the block, externally and internally.

Will the proposed works resolve issues I and other leaseholders have faced in the past regarding re-mortgaging whereby Southern Housing will now be able to meet regulations from MHCLG- and provide written information to this fact- when previously Southern Housing were not able to provide suitable confirmation of this and as such mortgage companies were not able to be instructed? I assume the costs do NOT include any remediation?

We will be completing surveys and investigations to the building in the Phase 2 programme and contract. Where buildings achieve the required safety and fire compliance the Group will provide information to residents to help with re-mortgaging or property sales. Where buildings do not achieve a satisfactory level of safety and fire compliance there may be additional remedial works required, but these will be discussed with residents.

These investigations do not include any potential costs for any remediation works.

Are we unable to sell our flats until the work has been completed?

This depends on several factors that could include the policy of third parties who are either selling your property, buying your property, the mortgage provider and the level of safety and fire compliance for your building.

Will an EWS1 assessment be made on completion of the work? What category is the EWS1 expected to fall into (e.g. will it be A1?) and what other documentation that could be provided to a mortgage company will be available on completion (e.g., fire safety)?

If your building requires an EWS survey, until the survey has been completed, we will not know the rating of a potential EWS1 form. A copy of a fire risk assessment will be made available to residents.

Do you have any idea of timescales, or at least when you will start on our block/estate?

When can we expect work to commence?

When will I expect someone to come to my flat?

Once the consultation period is complete and a contractor is appointed, when is the work expected to start?

When is the work expected to finish?

We expect the contract to be awarded soon and the survey investigations to commence in November 2021.

All proposed timelines will be made available to leaseholders as soon as we have them. Once the contract has been awarded the consultant will programme the survey investigations. The Group have a two-stage letter for residents. The first stage letter informs residents that we will be attending in a particular month and nearer the survey date, the second stage letter will be sent informing the resident of the date the survey will be carried out.

How long will this take and what's involved?

When can we expect an estimate or works?

There is no record of the estimated number of days their work will take?

The entire contract / Phase 2 building safety programme could take around six months to complete, but the actual survey investigations should take around 1 or 2 days to complete dependant on access.

Another concern I have is what happens should it come to light that unsafe materials have been used and work needs to remedy this. There have been stories in the media of people facing extortionate bills of tens of thousands of pounds. This has caused people to lose their homes and be made bankrupt. SHG is a charitable housing association and it would seem like a huge conflict for a social housing provider to be inflicting this kind of life changing debt and stress onto its tenants.

Will Southern Housing Group take responsibility for covering the costs of this as the responsible party rather than passing that cost onto homeowners?

The building safety world has shifted enormously since the Grenfell Tower tragedy in 2016. Your home may have been approved as safe at the time it was built, and with no issues for years, but changes in legislation and industry

guidance now mean that extra steps need to be followed and new ways of assessing buildings have come into force.

Southern Housing Group is a charitable housing association and the way we are run and how we spend our money is regulated by the government. What this means in practice is that if we cannot find an alternative source of reimbursement for the costs of the remedial work then we have no choice but to seek to recover costs under the terms of your leases. This is because the way we spend our money is subject to strict rules and we are not permitted to write off these costs if there is an alternative option. This is never our preferred way forward and we understand that this may be concerning for leaseholders. We hope that this will not be necessary, but it would be wrong not to be clear about the possibility at this stage.

**Are the works proposed directly or indirectly related to the government stipulations regarding cladding follow the Grenfell Tower tragedy?**

Both. Fire safety is currently a major topic and because of the Grenfell Tower tragedy there is new and update legislation being proposed and implemented.

The Group's corporate strategy is and has always been about creating safe community and safe homes for residents. The Building Safety Programme is about understanding our buildings and the potential risk to resident safety.

**Why are all leaseholders from various areas receiving the exact same notice/estimate when obviously there will be widely varying requirements?**

Although buildings do differ, the investigation and survey requirements for each will vary little during the contract. The contract has three elements including Type 4 fire risk assessment, external wall system survey and floors plans. As these are likely to feature in some form across most properties, this enabled to produce a standardised format to include all residents. There will of course, be variation between buildings, and we will advise blocks on individual requirements as the programme moves forward.

**Why are we having to use your contractor and not being given the option to get the work completed ourselves?**

Southern Housing Group is the landlord and has duties placed on it to ensure that the buildings it owns complies with relevant legislation. Due to the number of buildings in the Building Safety Programme, the Group is able to obtain value for money because of the volume of properties it needs to inspect.

**I have contacted the Developer who confirmed all apartment blocks on the estate (except those owned by Southern Housing) now have EWS1 forms. Why is it that they have been issued on these buildings but not on ours? They did not require any remedial works and some were built within the same phase as ours, so why do we require remedial works? Some of these buildings are exactly the same as ours.**

The Group is not stating that you require remedial works. This contract is in place to investigate and survey your property. We cannot comment on your building until we complete the survey, but it is a positive sign that the developer has not found any remedial works required from its investigations of neighbouring blocks.

## Costs

The Consultant fees of between £600k and £700k. What are these high fees for? It seems wholly disproportionate for the scale of the works?

It would also make sense to get quotes from more than 2 consultants, as well as consider the scope of works and value they are providing. Is there a reason only 2 were sought?

Why the need for contractor assistance? How many days will be needed?

The consultant fees are the total costs of all the buildings included with this building safety programme and contract. The total number of buildings in the contract is 126.

The Group approached South East Consortium (SEC) to carry out a mini competition from SEC's Fire Consultancy Framework. The Group had 5 expressions of interest to submit a bid, but only two tenders were received and the remaining three did not submit a tender bid.

Is the £1750 estimated cost per resident or per flat?

Is the £1750 the total amount expected or could it be higher?

Does the estimated cost of £ 1,7500.00 inclusive of VAT per resident include materials to make good?

Is the estimated management cost of 5% based on the sum of £ 1,7500.00 per resident?

Is this just for the survey and if any remedial work needs doing to the building, extra cost will be required?

The estimated cost of £1,750 stated in the Notice is the cost that we do not expect leaseholders to pay more than for these investigations covered in the building safety programme. The cost is per flat and not per resident.

The total cost to residents has not been finalised. Unfortunately, due to the nature of the contract we were unable to provide individual costs per block. Therefore, we provided a "you are not expected to pay more than" cost to residents. This was due to several factors including survey requirements for each building, quantity of flats, service charge apportionments and the potential efficiencies in delivering the programme.

Is this not covered by southern housing? Or through our service charges?

We have had multiple assurances from Southern Housing staff that residents would not be charged for these works via their service charge.

Do owners of 1 bed flats pay the same amount as owners of 2 bed flats? They don't pay the same amount of Maintenance, they pay different percentages?

Since I am only in 35% shared ownership, I guess I pay only 35%?

My block is a mix of 100% rental, shared ownership and 100% ownership, how are these costs split between each of those 3 ownership/rental mixes please? Are the costs distributed evenly with no regards to ownership/rental status or are costs allocated differently?

The difference in costs that would be paid between the different properties in the building (1, 2,3 and ground floor maisonettes)?

We have had multiple assurances from Southern Housing staff that residents would not be charged for these works via their service charge. Why does the second notice state the contrary?

All costs associated with your building will be added to your building's service charge account. At the end of the year the service charge account will be reviewed to determine if there are any service charge adjustments required. In short, the cost of these surveys may already be covered in your current service charge payments. If not, you will be notified of any additional costs at the end of the financial year during the annual service charge review. Recovery of monies under this contract will be in line with maintenance apportionments of your block. All costs will be based on your blocks apportionment as per your service charge payments.

Shared owners are generally responsible for 100% of service chargeable requirements regardless of the percentage they own. You should not be paying for another property's apportionment. E.g. if there are tenanted properties in your block, you will not be paying for this share. Some social landlords have sought to recover the proportion of the cost of associated fire safety works for rented properties from their leaseholders – Southern Housing Group is not one of those landlords.

What do we do if we can't pay? We can't and moreover, morally, nor should we have to. I'm aware some homeowners are being made bankrupt/ homeless because of this requirement. What is Southern doing (as per its 'social objectives') to address this situation?

Will you offer a payment plan to leaseholders?

The total cost to residents has not been finalised. At the end of the year the service charge account will be reviewed to determine if there are any service charge adjustments required. In short, the cost of these surveys may already be covered in your current service charge payments. If not, you will be notified of any additional costs at the end of the financial year during the annual service charge review.

If you are in hardship because of the timing of the programme for your building, please speak to us. We want to support our residents and recognise that this is stressful time for many. There may be other options that we can discuss with you that could help.

You are already being paid a 15% fee within our service charges. These costs are your responsibility to bear, the lease does not allow you to pass on these costs

Why is Southern Housing going to add on a 5% managerial fee?

Does your proposed 5% charge include contractor charge? If you arrange for a contractor to come onsite, that's an admin task. Why would you then be entitled to charge 5% of their daily rate (£1400 x 5% = £70) for doing nothing.

The management fees for these investigations help fund the resources required to run a contract of this size. We have several staff members that all work to ensure that the project is managed including liaising with residents, preparing the specification, administering the contract, hold regular meetings, recording and managing data between the team, supervising the programme and other contract management activities.

Compared with other contracts and organisations 5% is generally low and could management fees could be much higher. Southern Housing Group is a charitable housing association and the way we are run and how we spend our money is regulated by the government.

My flat was only built recently surely the materials used then would have been checked for fire safety standards?

What government funding is available?

Currently, there is no Government funding for fire safety remedial works for these buildings. The Government funding is related to external cladding remediation projects for buildings above 18 metres.

From the building's plans and the specified materials used in the planning applications are you expecting any works to be carried out? If so, would that generate any further costs and what are they projected to be?

As part of the building review, we will be looking at the available information we hold on each block. This will include the existing Building Manuals / Health & Safety Files where these exist.

Do we pay it if our flat if it is not checked?

When competing investigations, the inspection areas will be decided by the consultant to provide evidence on the building fire safety risk. When inspecting buildings, we do not need to visit every flat, but as these surveys cover the entire block all residents would be expected to pay their proportion.

When are we likely to know the costs of any actual remediation/building work?

Can I have the specific cost for my block?

The total cost to residents has not been finalised. Where buildings do not achieve a satisfactory level of safety and fire compliance there may be additional remedial works required. These will be discussed with residents. These investigations do not include any potential costs for any remediation works.

Why I am liable for costs when my lease states that external work is the responsibility of southern housing?

Southern Housing Group will only charge costs in line with your lease. There are many lease variations and if you would like to know more then please contact the Group's Service Centre. You may also have your lease reviewed independently through the leasehold advisory service ([www.lease-advice.org](http://www.lease-advice.org))

My understanding is that the government has applied a cap on the cost remediation for external wall for building under 18m, so that it should be less than £50/month. Can you confirm Southern is indeed applying this for the cost of both the survey and the remediation work if needed?

There is currently no cap on either the costs of a survey or for remediation costs. The government has discussed bringing in a loan scheme which may cap the monthly costs to leaseholders, but this is not yet law, and is still being debated. The Group is monitoring changes that the Government may put in place, and will adhere to them.

How do the costs compare to works undertaken on the other buildings to date which have already received their EWS1 forms? What approach was taken for previous buildings and does this follow the same approach?

The Group has completed the same approach for the Phase 1 programme of buildings. Unfortunately, due to various factors it is difficult to compare costs from building to building.

The Phase 1 programme approach went well and has allowed to Group to take a holistic approach to fire safety for each individual building. This could be either highlighting potential risks or providing assurances that the building is safe.

Given the EWS1 form is not a legal requirement, can you also confirm on what basis we are legally obliged to pay for the Fire Risk Assessment and External Wall Survey? We know that some people in our block have recently sold their flats and an EWS1 form was not required for the purchase.

Given the EWS1 is not a legal requirement, can you confirm on what basis we are legally obliged to pay for the fire risk assessment?

If your building requires an external wall system (EWS) survey, it does not automatically mean that you will receive an EWS1 form. The survey will help the Group provide an EWS1 form if you are being asked to provide an EWS1 form. Unfortunately, until we complete the survey, we do not know the potential EWS1 rating.

Southern Housing Group is the landlord and has duties placed on it to ensure that the buildings it owns comply with relevant legislation. The Regulatory Reform (Fire Safety) Order is the legislation requiring the Group to carry out a fire risk assessment. Your lease will detail that you must pay for services costs in the running of the building and will include any remedial works to mitigation issues found in the fire risk assessment.

## Third Party Claims

Will Southern Housing take action to try to recoup costs from builders where possible under the Government's recent policy change giving 15 years for housing associations to recoup costs of remediation work from builders for past defects?

The building is only 15 years old ; building records and previous fire reports should be available so surely some of the information needed should be available through these records. If shortcuts were taken or substandard materials used by the builders the responsibility lies with them.

We will do all we can to protect leaseholders from these costs by seeking to recover them from those responsible for any building defects, or from the government, if possible. We always investigate the potential to claim these costs from a third party where this option is available to us.

If any faults are found in the cladding or other areas that were not installed correctly at the time of installation can a claim be made on the builder or under the warranty?

Where we can pursue claims against warranties and insurance policies, we promise we will do this.

## Scope of Works

Will we be getting fire escape stairs at the rear of the property?

You will not receive a fire escape stair to the rear of your block in this contract. The building safety programme is for investigation surveys only.

Do you require entry into flats for your survey?

Yes, we do need to complete an inspection of 10% of the flats to complete the Type 4 fire risk assessment. This will be to investigate the internal compartmentation of the building. Most of the investigation can be completed using



bore scopes through light fittings and ventilation systems. Where this cannot be achieved, the consultant will discuss this with you.

Could you let me know whether your Risk Assessment and External Wall survey will also include the property that forms the boundary wall in my patio? As this building forms a boundary with my patio will that wall be included in the fire risk assessment?

Both the fire risk assessment and external wall system survey will consider neighbouring buildings where these affect the fire safety of our blocks.

Is it necessary as an External Wall Fire Review has already taken place by managing agent?

We do have block within the building safety programme that have either the external or internal element managed by an external managing agent (EMA). We are aware of these blocks and you will only be receiving a survey where the Group are responsible. Where an EMA is responsible for either the external or internal element the Group will be in contact to request the relevant information.

Is it necessary as an External Wall Fire Review has already taken place by SHG? Please can you explain how the survey has already been undertaken if the works are still under notice.

Where the Group has already completed an external wall system survey, you will not be receiving a second survey.

Why is there a need for tower scaffold? What inspection works are needed at high level that cannot be carried out at low level? Why can't samples/inspection of external areas and windows take place at ground level? Why can't roof inspections take place on the roof?

The consultant reviews each building prior to attending and decide on where the inspection works are completed. We agree with you that most inspections are completed at lower levels, but where this is not possible, we do require either an access tower scaffold or cherry picker to complete the investigation.

You only recently completed fire safety works at my block, why are you returning to do more work?

We do have some fire safety works currently being complete across the Group's stock. This contract is about investigating the whole building. Where fire safety works have already been complete these will be reviewed and mentioned in the surveys.

You note ""materials to make good"" under the Contractor Assistance section in your letter - can you clarify what this means?

We need a contractor to assist the consultant in opening up works to allow the consultant to inspect voids and cavities. Once the inspection into the void or cavity has been completed, we need to reinstate and close up the opening i.e. material to make good the opening created.

What criteria are you using to determine what building will be done, apart from the current handful of priorities? It states that the overall program will take years to complete?

The Group has completed a desktop study and reviewed properties owned by Southern Housing Group. We have considered factors such as building height, cladding materials, internal compartmentation, fire safety systems,



the evacuation policy, etc. These factors are scored to allow the Group to work to a risk-based approach to batch properties into future phases.

## Legal Requirements

According to the Cladding External Walls System published on the House of Commons on 29th July 2021 and the HM Government Building Regulations 2010 (main changes and amendments 2020) only blocks above 18metres in height require a EWS

With this being the case could you please explain to me why this survey is being undertaken on my place of residence when

1 - we do not fall into the above specification

2 - the building is a brick dwelling with no cladding

Southern Housing Group is the landlord and has duties placed on it to ensure that the buildings it owns complies with relevant legislation. The Regulatory Reform (Fire Safety) Order is the legislation requiring the Group to carry out a fire risk assessment. As part of the fire risk assessment the Group need to review the external wall materials irrelevant of building height.

The Group is carrying out an external wall system (EWS) survey, but this does not mean that you will require an EWS1 form. The survey will help the Group provide an EWS1 form if you are being asked to provide one.

Please can you outline how Southern is coordinating with the government's changing guidance on EWS1 forms for buildings under 18m. Can you provide reassurance that I will not be paying for inspection works that soon become unnecessary?

I would like assurances that, as my block is not over 18m I believe, we will not be subject to unnecessary work. Just because SOME mortgage companies are behaving in what may be a poor faith (possibly illegal) manner does not mean we should be punished as tenants. If unnecessary work is undertaken I will seek legal advice and refuse payment.

Residents are not being asked to pay for inspection works that may become unnecessary. Southern Housing Group is the landlord and have duties placed on them to ensure that the buildings they own comply with relevant legislation.

So if the government backs down on the current rules then would we get our money back ?

No, these surveys will still be required as part of the Group's strategy in providing safe homes for our residents, but also due to the Group's responsibilities as a Landlord.

Why doesn't Southern Housing Group already know the type of cladding material present on the building (the costs are to cover work to determine what the cladding material is)

You are correct that the Group does already hold some information that will be required to undertake this work, either from the Group's records, or from third parties. However, it is important to understand that this Building Safety Programme covers every possible eventuality across hundreds of properties. In some cases, due to the age of a

property, or perhaps the constructor/architect no longer being in business, some paperwork may not be available, and will need to be traced. This may have a cost implication to reproduce information.

Why are SHG proceeding with these surveys against the advice of the government and against the wishes of those leaseholders who will be required to pay for the surveys, (and the subsequent remedial works which are likely to be required) would be completely unjustified.

The Group is not proceeding against Government advice. Southern Housing Group is the landlord and has duties placed on it to ensure that the buildings it owns complies with relevant legislation. The Regulatory Reform (Fire Safety) Order is the legislation requiring the Group to carry out a fire risk assessment.

In your letter dated 31/03/21 you mentioned SHG reviewing buildings under the Regulatory Reform (Fire Safety) Order 2005. As our building was built after this date then it must surely comply?

The Regulatory Reform (Fire Safety) Order 2005 (RRO) legislation is not applied in this manner. E.g. the RRO is not applied in the same way that the Building Regulations are i.e. at the time of the building being built or after completing refurbishment works.

The RRO applies to almost all buildings, places and structures other than individual private homes. It applies to residential buildings with communal areas irrelevant of age.

## Reserve Funds

Will money for the Fire Risk Assessments works will come out of the sink fund or if a separate account is going to be set up for this?

We have been assured by the staff at Southern Housing, on more than one occasion, that our reserve fund would be paying for these works. We are therefore extremely surprised to get this notification.

Where in the contract does it state the emergency fund (or whatever name it is given) cannot be used for this?

The reserve, or "sink" fund is made up of money collected to cover the cost of future large planned individual items of expenditure such as a new roof, or replacement windows. The Reserve needs to be protected to fund expected works and using the reserve funds for the fire safety works would leave the fund unable to meet the future obligations to repair the blocks. If the reserve fund is used, then future contributions may be increased to cover any future / planned works. If there are insufficient funds in the reserve fund, you will receive an invoice for your proportion of the outstanding balance.

All survey and investigation costs with your building will be added to your building's service charge account. At the end of the year the service charge account will be reviewed to determine if there are any service charge adjustments required. In short, the cost of these surveys may already be covered in your current service charge payments. If not, you will be notified of any additional costs at the end of the financial year during the annual service charge review.

## Quality Assurance & Transparency

What opportunity was given to leaseholders to nominate alternative contractors? How many, if any other contractors were considered?

Leaseholders were given the opportunity to nominate consultants during the Notice of Intent stage. No consultants were nominated.

If any consultants were nominated during notice of intent period, the consultant would have to meet the criteria detailed in the notice.

What financial health checks (credit checks) were done on these companies? I checked them both and they have failed to file accounts since 2019 and I am concerned that they will not be able to carry out long term contracts of this size

Any contractor invited to undertake work on behalf of Southern Housing Group is required to undergo a stringent set of tests and financial checks to assess their suitability for the project being tendered. These tests take into account the financial stability of the company, the skillset and availability of its employees to complete the work, and the robustness of any parent or umbrella companies tied to the contractor.

We have been satisfied that the Oakleaf Group meet all of the requirements to be able to carry out a programme of this size.

What mechanisms do you have in place to ensure that the work completed for individual buildings is signed off and allocated properly?

What assurances can you provide me that you are working to protect the interests of your tenants?

Based on SHG's working practices with the year on year service charge increases, I have little faith that any measures are or will be in place to ensure we are:

- a. Only charged for work that has actually been completed.
- b. Not subject to unnecessary works which the contractors can then bill for.
- c. Provided with competitive rates in relation to the necessary work to ensure we are not overcharged.
- d. Provided with a good standard of work by contractors. We have repeated call outs (presumably to the same contractor) due to insufficient repairs not being conducted.

The Group has procedures in place to manage the contract and includes: -

- Desktop study prior to attending sites by SHG and the Consultant.
- Programme of inspections will be in place to manage site investigations, contractor assistance and completion of works.
- There will be fortnightly progress meetings.

All survey investigations report will be charge to each individual block, where completed by 31 March, and is based on the block's flat apportionments.

Contractor assistance costs will be totalled at the end of the project and divided by the total amount of flats in the project. The apportioned cost will then be included within the overall block total, and then based on the block flat apportionments. This will ensure that all leaseholders receive the efficiency savings driven by completing multiple surveys during the day.

## Available Information

I don't want to pay for the creation of floor plans, SHG should already have these.

Where the Group holds floor plans, we will only be updating them with any new information. Where we do not have floor plans, these will be created by the consultant.

Given that our building is relatively new (handed over to residents in March 2018), are you able to provide reports about the building (which I imagine are on file) to the contractors in order to build their report?

Was any information not collected by Southern Housing Group at the time of construction that needs to be identified and assessed now?

Yes, any information related to your building will be communicated to the consultant for review.

Southern Housing Group were responsible for overseeing the construction of our building through their primary contractor and this was completed within the last 5 years and at the time of the Grenfell fire. What information was captured and retained as part of this and can this be used to help risk assess the fire safety of the building?

Why is it that you do not already know this information?

My building is only 12-15 years old and I cannot understand why the company that constructed the building cannot simply provide the records of materials used. This would surely provide all relevant information regarding any insulation materials used, or any other materials for that matter?

Where the Group hold records of your building these will be communicated to the Consultant for review. As part of the review the Group will need to check what has been designed has been built. Where there is a potential chance for legal recourse from a third party, the Group will investigate. Unfortunately, there is a limited timeframe available and this will need to be reviewed on a building by building basis.

After this work has been completed will we be issued with an EWS1 form?

This depends on the surveys being undertaken. Where an external wall system survey is required, we will complete the investigation of the external wall. EWS1 form will not be produced automatically, but we will be able to produce an EWS1 form required for residents that are struggling to sell their property or re-mortgage their property.