

## **Leaseholder Forum Q&A**

### **Why am I charged a service charge?**

The charges you are charged are set out in the terms of your lease and you will be charged for the services provided at your block, each block is slightly different so we vary the amount of our service charges so you will only be charged the cost to provide the service.

### **In the example given, it shows the charge for lighting will be increasing. Are communal areas now being moved to LED lighting to reduce costs, and if not, when will they be?**

Any new fittings being replaced as LED as standard. As the blocks get upgraded through the planned maintenance programme the lights get upgraded to LED lights.

### **Who can I speak to about potential work on my block?**

We are only advised on potential works for the next 2 years however this is always subject to change. When works are planned at your block you will be advised and written to following the Section 20 consultation process.

### **I can't report repairs – as I don't have the phone number**

Any repair calls can be reported to our Contact Centre on 0808 230 6500 (7am to 8pm Monday to Friday). This number is free from landlines, charges from mobiles may vary. Our text phone number for the deaf and hard of hearing is 07899 848886.

### **Do council owned flats pay the same service charge?**

No – all PCH leasehold properties are owned by us, with the properties transferred to PCH as part of a stock transfer in 2019. Service charge is determined by the terms of individual leases and what proportion you are expected to pay is set out within your lease for your individual block. PCH tenants pay for their services via their rent payments.

### **How do we find out the charges for our estate?**

Breakdown of services and repairs are contained within your annual service charge bill.

**We have had scaffolding erected to the front of our block, no notification has been given to what the scaffolding is for and what works are being undertaken at the moment?**

We will always follow the Section 20 consultation process when carrying out any works if any qualifying works are over £250.00 per leaseholder.

**Can the service charges be paid in instalments?**

Yes, you have 12 months to pay service charges so a payment plan can be set up, please contact the Leasehold Team on 01752 388094.

**Do these charges include the building insurance?**

Yes, a proportion of building insurance is included in the Annual Service Charge, this is based on the number of bedrooms contained within the property.

**Last Year I suggested a sinking fund. It was said at the meeting that you were looking into this. There has been no feedback. What's happened?**

This is still in progress and looking into viable options. The introduction of a sinking fund is complex and is reliant on a number of factors including the relevant clause being included in a lease to collect a sinking fund, the correct leasehold consultation taking place, agreement from a percentage of leaseholders for the introduction of a sinking fund and then a calculation based on future costs of work to collect the correct amounts. PCH will look to provide a full response to Leaseholders as soon as possible.

**Are service charges divided equally between leaseholders and PCH tenants where tenants pay their service charge through their rents?**

Yes – for example if there are 10 flats in a block you would pay a proportion of 1/10 towards service charges. Tenants' contributions for repairs and major works are included in their rent.

**I have been trying to sell my flat since 2018, but because PCH are planning massive refurbishment, costs passed to my solicitor keep going up, meaning I'm having trouble selling. How can you quote figures when I don't think you have done full survey? I appreciate Covid has delayed things.**

We have an extensive programme of works for our housing stock and unfortunately plans are subject to change. When a leaseholder is looking to sell their property, they are required to request an LPE1 form which sets out details which include any future major works for the next 2 years. PCH aim to provide as accurate information

as possible on this but always make it clear that the costs are estimated and subject to survey as external factors can influence the programme.

**Please can you clarify the legal situation between PCH and leaseholders regarding the fitting of FD30 front doors? I have estimates of over £2000 for the supply and fitting - which I cannot afford. How can PCH legally try to force me to pay for this?**

In accordance with the Regulatory Reform (Fire Safety) Order 2005 and the Fire Safety Act 2021, all flats in a block require a minimum of 30-minute Fire resistance door and a working door closer fitted at all times. Our Fire Team carry out Fire Risk Assessments for the block and will highlight any Fire doors which are not to current standards, sometimes this requires a full new door set but at other times some amendments might be required to bring it up to standard. We are currently investigating payment options to help support the affordability of fire doors.

If you wish to find out more details on this, please contact the leasehold team on 01752 388094. Please note if you are required to install a fire door and have not, it could lead to legal action. Due to the Health and safety concerns, we urge all Leaseholders who have been requested to install a fire door to do so as soon as possible and if you need further assistance to contact the leasehold team at your earliest convenience.

**Does the building insurance included in the services charge cover the pipes that go from my bath? Or do I need separate insurance for that? Where does the insurance include within the service charges end? What are the limitations of the insurance included within the service charges please?**

There is full Insurance Policy wording available on request. All pipe work up to the individual meter and communal pipework is the Landlord's responsibility and pipework used solely by the flat is the Leaseholders responsibility.

**As a Leaseholder am I covered with damp with external walls?**

If you believe the property is damp or there is water ingress, please call the repairs line on 0808 230 6500 and we can arrange for a repairs inspector to visit your home.

We have lots of information on combatting damp and condensation on our website.

**A new Leaseholder purchased apartment in my block. They hired builders to do the refurbishment who have left the communal hallways very dirty. Where can I report this?**

This should be reported to the Leasehold Team 01752 388094 or the contact centre 0808 230 6500. The Leaseholder is responsible for ensuring any mess is cleared by the builders they have employed.

**Are my windows covered by PCH's homes building insurance or do I need them to be covered by contents insurance?**

PCH has a covenant to carry out repairs to windows or replace only once beyond economical repair. Although PCH have a duty to repair the windows the costs for the repairs/replacement are included in the Annual Service charges for the year.

**Why do you have to pay repairs charges?**

In line with the terms of your lease you pay a proportion of repairs in addition to the other service charges for your block, the breakdown is found on your annual service charge bill.

**Cecil Street hasn't been decorated for over 25 years. When will work be carried out?**

We will make enquiries with our Asset Management Programme Team to find out if Cecil Street is on the list for works and repairs.

**I am the leaseholder of a flat in a block of four that doesn't have any communal corridors or stairs, will I still pay a service charge?**

You will only pay for the services provided at your block in line with the terms of your lease.

**Sinking funds can mean people who have moved out pay for future repairs and it can also be open to abuse and fraud - I'd vote no.**

This is something we are looking into further and getting independent advice to ensure this is a fair and viable option, so nothing has been decided yet.

**Could I ask you to confirm when the renovation of Pembroke Street is due to start?**

We held a residents' meeting to let people know that the work would be starting in January 2023.

**Do PCH still use the money tree fund**

Yes, we still have the fund.

**Why are the admin charges so high?**

We set our administration cost at 15% of total works costs which is an industry standard and is deemed to be fair and reasonable. It should be noted that PCH have an internal policy to cap the administration costs at a maximum of £500 per leaseholder.

**Thanks Leaseholder Team, it's great to see someone to talk to face-to-face.**

Thank you for attending, we want to be more engaged with our leaseholders going forward, so will be holding regular meetings.

**I've been quoted £2000 for a new fire door, mine only cost £850 when PCH Manufacturing supplied & fitted my fire door 2-3 years ago.**

The £2000 cost stated by another leaseholder in a question above is from independent suppliers not PCH. PCH Manufacturing was closed in March 2020, so PCH are no longer able to provide Fire Doors at these prices.

**Does PCH have a current policy with regards the repurchase pre-emption rights if leaseholder wants to sell within first 10 years?**

PCH as the landlord has the right to first refusal however PCH does not currently have a policy to buy back properties.

**In Marlborough House there have been instances in the past where certain tenants have caused wilful damage, but that is included in repairs, why are they allowed to get away with this?**

If damage is caused and is witnessed this must be reported to the Police and a crime number obtained or reported to the Housing Officer for the block who can investigate, then we can consider removing the charge from the repairs billing.

**I must pay £1920 for a FD30 to my flat which is cheaper than most companies.**

Fire Door costs vary between companies, we recommend you shop around and get various quotations. Please always ensure you get a certificated Fire Door as we will need to see proof of the Fire door rating.

**Leaseholders should have a say in who does the repairs and how much they charge?**

Leaseholders do have a say. We will send letters as part of the Section 20 tender consultation process seeking observations and recommendations for companies.

**As leaseholders, we are referred to as clients. PCH are also a non-profit organization. What margin do PCH charge through to their clients when we are billed for additional building works?**

There is no profit margin made. Works are billed at cost proportionately in line with the terms of the lease. PCH is a charity and a not-for-profit company and is governed by the Regulator of Social Housing.

**The tenders that go out always seem so expensive for what the contractors do?**

Contractors must follow strict procurement procedures to be able to tender with PCH, they must also have all the relevant Health and Safety and insurance certifications to be able to carry out large scale refurbishment works.

**What processes do contractors have to go through to tender for contract work to ensure a fair process?**

Contractors follow strict procurement procedures. All PCH staff must also sign a declaration of interest declaring information of any friends/family members or businesses that PCH might potentially work with.

**PCH do send out Section 20 letter and they are legally bound to obtain at least three quotes for works that need carrying out - Leaseholders should receive details of the three quotes and reasons why they have chosen one of the three.**

Yes, PCH will always follow Section 20 process for any tendering or qualifying works.

**Even if they you choose the cheapest quote, it still seems high for what the work entails?**

These are large scale projects which includes full planning, design and extensive works, that also need to be completed in a reasonable time frame.

**If we can't login to MYPCH, can we have a similarly well-advertised link for leaseholders?**

This is definitely something we are working towards as we would like Leaseholders to have MyPCH or a similar portal. As soon as we have further details we will let you know, or it will be a topic at a future forum. It should be noted that Leaseholders can use the online facility to make a payment should they wish.

**Thanks for this it was a very useful session. Just wanted to know why there isn't anyone that cleans the stairwell at Lambhay Hill. I thought that would be included in the service charge. We own a property at Vauxhall Court and that is cleaned weekly, does there need to be a certain number of people as leaseholders before this can happen?**

Blocks were previously consulted on whether they wanted stairwell cleaning and the costs added to service charges, some blocks voted in favour of this and other blocks voted no and agreed to do the cleaning themselves.

**I am also concerned about the tone of the letters I have been receiving about this - for a social housing organisation to put its clients under the stress of either potential legal action or getting into debt they cannot afford for something that costs so much, is disgraceful.**

As the landlord we have a duty of care to ensure all blocks are fire safe. All flat doors must have a minimum of a 30-minute fire door and a working door closer always installed, non-compliance to meet the minimum standards is a breach of your lease, and we will give reasonable timescales to get fire actions completed but any failure to complete a fire action will be passed to our legal representatives.

**When can I sell my flat, I bought 3 years ago? The lease says there is no payback after 5 years. I believe I have to offer it to PCH to buy back within the first 10 years. Will you buy it back and how do I find that out?**

You are able to sell your property when you wish, however as stated and in line with the terms of your lease you may have to payback a percentage of the property value if purchased under the right to buy or right to acquire schemes. You do have to offer PCH first refusal as the landlord however PCH does not currently have a buy back policy for Leasehold properties.

**Can you make the contact number more visible in In touch magazine?**

Thank you for the feedback. We will raise this with our communications team who produce the newsletter. All feedback is welcome to improve the quality of the newsletter.

**Are you looking to put more communication online?**

More and more communication is directed online and our website acts as a one stop shop for information, however, we fully understand that this means of communication does not work for everyone and should you wish to speak to somebody direct or receive information via post please contact the Leasehold Team on 01752 388094 who will discuss direct.

**We get a lot of unnecessary postage about things that don't involve our property. Can this be sent by email instead?**

PCH want to avoid wasting paper as much as possible however we are required to send certain formal letters via post to ensure we meet our obligations particularly in relation to the Section 20 consultation.

**I would like a timely response to any enquiries by the responsible person.**

Engagement with our customers is very important to PCH and we would like to ensure all enquiries are answered in a timely matter. Please contact the Leasehold Team on 01752 388094 should you be waiting on information from PCH and we can investigate and get a response back to you asap.

**Will VAT be added to the estimated quotes for major works at Boons Place?**

The estimated costs will be inclusive of any VAT where applicable.

**Why estimates and not fixed quotes? Estimates tend to increase once works start.**

At this stage of the project the costs are estimated based on the survey results. Once work starts these costs could go up should any unforeseen issues arise or alternatively go down dependent on what work is completed. It should be noted that PCH has an internal policy that caps any increase in costs at 15% above the estimated cost. Therefore even if a lot of additional works are required the costs will never go higher than 15% of the estimate.



**Each estimate shows total omissions / deductions. What are they and why are they variable on each estimate?**

Omissions and deductions are project costs that won't be recharged to Leaseholders.

There are a number of reasons for this, and they vary from project to project. For example, Leaseholders with a repairs-only lease will not be charged for any works that are classed as an improvement.

These elements will have different costs per contractor which will be shown on the omissions part of the Statement of Estimates.

**What are preliminaries?**

Preliminary costs are expenses that will be incurred during construction, which are directly related to the running of the project and have not been included in the materials, labour or overheads.

Each scheme will have different elements that make up the preliminary costs but they will include site set, welfare, staffing costs etc.

**Why do half a job when you spent £155,000 on scaffolding for a year?**

All works are based on a design specification and signed off by the contract supervisor. The scope of the project will be set based on what is required to ensure PCH meet their obligations. Additional works may be completed but this would also mean additional costs which is something that PCH will always consider when undertaking a project.

**What have you in place for future proofing maintenance?**

PCH complete, planned maintenance, planned maintenance plus as well as major works schemes. If a block has had a full major works refurbishment there will be ongoing maintenance to ensure warranties and guarantees are not invalidated and PCH obligations are met.

**Can you bring every leaseholder back to 125-year lease as a group?**

Leaseholders have the opportunity to complete a lease extension should they wish. Details can be found on our website [Lease extensions - Plymouth Community Homes](#). The Government as part of the Leasehold reform is looking into the introduction of mandatory lease extensions. PCH will monitor this and ensure it complies with any future changes.

**How are residents expected to pay when work is eventually completed?**

Payment options are set out in the Leasehold management policy which can be sent out upon request. Should anyone have any concerns in relation to paying their bill please contact the leasehold team on 01752 388094 to discuss options.

**Where was improvement kitty when taken over from PCC to PCH?**

PCC never introduced a sinking fund for leaseholders to pay into therefore there was no pot to contribute towards the work. As set out above this is something PCH is looking into and will feedback on asap.

Thank you for all of your questions. We really appreciate the time you have taken to ask these and welcome the engagement with our leaseholders to help shape the service we provide going forward. It should be noted that we are always happy to discuss issues direct with leaseholders and would advise to raise these as soon as possible and not to wait for the next forum should you have any concerns. Please contact the Leasehold team direct on 01752 388094 with any questions you have.