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|  | **BANSTEAD WOOD****MANAGEMENT COMPANY LTD** |  |

**RENDEL REDECORATION 2021/2022**

As you are aware, much necessary repair and redecoration work has been carried out on the terrace elevation of Rendel House; repair and redecoration of the balcony/terrace windows and doors in 2020 (paid for by Rendel leaseholders) and lead flashing below the balcony cills (paid for by the NHBC).

The remainder of Rendel House (north and east side but excluding the water tower) both external and internal plus the Storage Units and walk throughs, were due to be redecorated in 2021. A detailed specification was drawn up by James Sheppard, Surveyor, of Smith Baxter and the first Section 20 notice was sent to leaseholders on 8th January 2021. Your directors discussed the specification with James Sheppard and after some amendments, it was sent to four contractors for costing the work.

Quotations were received from three contractors, their figures checked, collated, and a comparison tender report was then compiled by James. We received this in April. The cost of internal redecoration and work to the Storage Units was as budgeted for and there are sufficient reserve funds to pay for these.

However, we were surprised and indeed most concerned by the higher than anticipated cost of the external work. This was due to extensive work to the roof of 28/29 Rendel plus a big increase, compared to our previous redecoration in 2014, to scaffolding costs as a result of significant changes in Health & Safety regulations across the building industry. The three external work quotes were all similar within a range of £275-£290,000 including 20% VAT and Surveyors Fees 8% +VAT. This presented us with a dilemma as we only had £120,000 in reserves. Discussions were held with James and although some non-urgent work was taken out, the cost was still nowhere near our reserve figure. We considered asking each Rendel leaseholder for an immediate lump sum payment of over £3000 or increasing the annual service charge for the year 2021/2022 to over £6000 but were very much against both these options given how the pandemic has affected many people, including leaseholder’s finances.

We were not only short of Money but as the weeks went by, Time was not on our side as the whole external contract needs to be completed before the adverse weather arrives. Further discussions were held with James and splitting the work across this and next year seemed to be the most practical and workable solution. He discussed this with the three contractors and new figures were presented to us, a range of £240-£255,000. It will still be one contract but split into two phases and we are pleased to report that the urgent external work that is needed to be carried out in 2021 can be undertaken and paid for with monies already held. The rest of the work will be carried out in 2022 paid for from the balance left over from the external work done this year plus an additional £70,000 collected in the year 2021/2022 service charge demand and again in 2022/23; a further £140,000.

**Details of the split are as follows.**

**Phase 1 2021 - (details the relevant charging sector)**

* 28/29 Rendel urgent roof works (Rendel External)
* Ground floor terraces drainage works (Rendel External)
* Other identified urgent external works (Rendel External)
* All internal lobby redecoration (Rendel Internal and 28/29 Rendel Internal)
* Storage Units and walk throughs (Estate A)

**Phase 2 2022 - (details the relevant charging sector)**

* All remaining external work (Rendel External)

**Advantages of splitting the work across two years**

* Financially, it works better for leaseholders by collecting the remaining funds across the next two Service Charge years i.e. 2021/2022 and 2022/2023.
* After scaffolding was in place during much of 2020 & early 2021 for the terrace elevation, there would be very little scaffolding in 2021
* Urgent external work, Internal lobby redecoration and the Storage Units redecoration can be undertaken in 2021 as sufficient funds are already held in these charging sectors
* The shorter Phase 1 can be completed before the weather deteriorates in autumn 2021

**Disadvantages of splitting the work across two years**

* Small increase in the overall cost as there is duplication of some items because of the two phases
* It elongates the work and possible disruption to residents

**Questions**

If you have any questions or comments, please send these by email to Heritage Management.

We would be happy to hold a meeting to include Kate Brown from Heritage and James Sheppard from Smith Baxter to discuss this work if there are enough leaseholders who request it.

**Directors**

**Banstead Wood Management Co. Ltd June 2021**