

**Report for:** Overview & Scrutiny Committee – 15<sup>th</sup> March 2021

**Title:** Scrutiny Review recommendations on proposed Noel Park major works

**Report Author:** Councillor Ruth Gordon, Chair of the Housing and Regeneration Scrutiny Panel

**Ward(s) affected** Noel Park

**Report for Key/Non-Key Decision:** Non-Key

**1. Issue under consideration**

- 1.1 This report sets out the evidence received by the Housing & Regeneration Scrutiny Panel (HRSP) on concerns raised by leaseholders regarding major works at the Noel Park estate, the responses provided by the Leader of the Council and senior officers at the Council and Homes for Haringey (HfH) and the Panel's recommendations on next steps.
- 1.2 Leaseholders made representations to the Panel on 19<sup>th</sup> November 2020, approximately two months after they had received Section 20 notices for planned major works which estimated costs to individual households ranging from £56,000 to £118,000. There are 76 leaseholders affected by these major works that involve the replacement of pre-fabricated bathroom 'pod' units to the rear of many of the properties on the Noel Park estate in addition to other works such as roof, door and window replacements. The leaseholders told the Panel that the estimated costs significantly exceeded their expectations and would be financially ruinous for some households. Concerns were also raised about the lack of consultation prior to the Section 20 notices being issued.
- 1.3 With a formal decision on the appointment of a contractor to carry out the major works expected by the Cabinet in early 2021, the Panel determined to carry out a short Scrutiny Review on the circumstances of the major works and the concerns raised by leaseholders. This would enable the Overview & Scrutiny Committee to make recommendations to the Cabinet about next steps. The proposal to carry out a Scrutiny Review was endorsed by the Overview & Scrutiny Committee on 23<sup>rd</sup> November 2020. Terms of Reference for the Review were agreed and further evidence was gathered by the Panel in December 2020.

## 2. Foreword – Cllr Ruth Gordon, Chair of the Housing & Regeneration Scrutiny Panel

The trust and confidence of residents in public authorities is a central plank of local democracy. Residents have the right to expect that its Council and any of its management agencies would work on their behalf to the highest standards in relation to processes of engagement and consultation, whether formal or informal. Rightly, there is an expectation among residents that rigorous attention is paid to ensuring that processes are robust and transparent and that their views will be listened to. The role of scrutiny is to ensure that, if and when the Council does not meet these expectations, an honest appraisal can be made of what went wrong and a positive way forward devised to repair relationships and restore trust.

In September 2020, leaseholders on the Noel Park estate in Wood Green received notices informing them of estimated costs for which they were liable in relation to proposed major works on the estate. The proposals included the replacement of pre-fabricated bathroom ‘pod’ units which had been installed at the back of many of the properties in the 1970s. The replacement of the pods had been actively considered and consulted on as far back as 2009 but the works had been repeatedly delayed. In most cases the estimated costs that had recently been provided were far higher than had been anticipated by leaseholders. The leaseholders were extremely concerned about the likely impact on their financial circumstances which, in some cases, had already recently deteriorated as a consequence of the Covid-19 pandemic.

The Housing and Regeneration Scrutiny Panel heard evidence as part of this Scrutiny Review of the major works proposals that included a comprehensive chronology as well as verbal and written evidence provided by the leaseholders. The Panel also received verbal and written evidence from the Leader of the Council and senior officers from the Council and Homes for Haringey (HfH).

The evidence to the Panel indicated that confidence and trust between leaseholders and the Council/HfH had broken down through a combination of poor communication, top-down decision-making and lack of empathy and understanding of the impact of the Council’s and HfH’s actions on the tenants and leaseholders. It was also clear from the evidence that Noel Park leaseholders had made numerous attempts to achieve clarity on what was happening with the major works but without success.

Council officers stressed to the Panel that the statutory requirements for consultation with leaseholders have been fulfilled. While this may be the case, the Panel noted that the statutory requirements involved little more than providing a standard notice to leaseholders in writing with estimated costs and then allowing 30 days for observations. The Panel’s view was that demonstrating that the minimum legal requirements for consultation had been met was not sufficient to demonstrate that leaseholders had genuinely been engaged with and that their views had been properly

considered. The Panel was concerned that this emphasis on ticking the boxes of minimum statutory requirements was indicative of the culture of the organisation and the approach to consultation which had failed to make the leaseholders a genuine part of the decision-making process on an issue that would have a major impact on their future.

During the course of the review, leaseholders made clear that they had bought their homes knowing that the Council was the freeholder and that they would have to pay for the repairs and contribute to major works programmes. Leaseholders were clear about their obligations and responsibilities within the context of their lease agreements. However, central to the concerns raised by leaseholders was how the latest estimates differed so widely from what they were told when they first bought their properties and in subsequent years, a lack of detail as to what reasons lay behind the inordinate delay to the works over many years and why their endeavours to actively engage in the decision-making process or to receive answers to their questions were not successful.

Panel Members accepted that the evidence provided by leaseholders in relation to the adverse impact of the major works decision process on them was compelling and credible. The sense of frustration and anxiety was palpable throughout the leaseholder evidence session with people speaking of the effect on their own and their families' financial circumstances and their physical and mental health, as well as expressing their fears for their futures.

The Panel's recommendations have mainly focused on the following key areas:

- New round-table discussions with the leaseholders to include consideration of alternative options to replacement pods.
- Options for a compromise on costs to be explored in individual cases where costs have escalated well beyond the estimates that were previously provided to leaseholders.
- A review of the Council's and HfH's consultation procedures to improve engagement with residents over future major works projects.
- The provision of further information to leaseholders to provide reassurance on issues such as fire safety and the accreditation of any new pods for mortgage purposes.

Scrutiny Panel Members are aware of their responsibilities to act as a "critical friend" to the Cabinet which is the decision-making body that takes ultimate responsibility for policy implementation. The Panel sees its role in making the recommendations it has as a way forward that can rebuild trust and establish a transparent and resident engagement-led mechanism for ensuring a fair outcome for leaseholders and tenants alike.

### 3. Recommendations

SECTION 20 NOTICES	
1	That an investigation be undertaken as to why responses to leaseholder questions submitted after receiving the Section 20 notices in September 2020 were not answered in full or in good time. This investigation should be conducted by an independent party and published with recommendations for improvement.
2	That a review takes place on the consultation and engagement process with residents that is used in circumstances where the Council has a QLTA in place. The Panel emphasised that high level, comprehensive, meaningful engagement with residents should always be the starting point and was concerned that the QLTA established through the LCP Framework had enabled a curtailed and inadequate consultation period of 30 days.
CONSULTATION AND ENGAGEMENT	
3	That Freedom of Information requests should be responded to without any interference or filtering through political offices.
4	That a thorough review takes place in relation to how the Council and Homes for Haringey respond and engage with leaseholders.
MAINTENANCE OF PROPERTIES	
5	That independent surveys of leaseholder and shared tenure properties are undertaken by external surveyors, funded by the Council.
6	That fully evidenced assurance is provided to leaseholders to demonstrate that BOPAS accreditation will enable mortgage borrowing on the refurbished properties. This evidence to be provided to leaseholders in advance of any binding decision and prior to any works being commissioned or commenced.
7	That full assurances are provided in writing in relation to the contractors use and application of cladding materials on the pod extensions. A full separate cladding report to be written and presented for sign-off to the council's fire officer and to building control before any works commence. An assurance must be provided to leaseholders that they will not be held financially liable if cladding needs to be removed or replaced at any point in the future.
8	That any works on properties on the Noel Park estate are subject to the approval of LBH building control in relation to standards and that the London Fire Brigade should be consulted with regard to fire safety of any external pods.
ESTIMATED COST OF MAJOR WORKS	



9	That it is established how estimates for pod replacement and other works have escalated over the time-period between purchases of the properties and the S20 notices in September 2020.
10	That a review is undertaken to establish whether resale packs supplied to leaseholders when purchasing their properties were complete and correct. The review must clearly establish the facts about what information on expected costs, including any specific figures, had been provided to leaseholders in their sellers' packs or at any other point during the purchase process. The review should include establishing what information was provided to leaseholders who are now liable for costs relating to neighbouring properties in the same building.
11	That an urgent review is carried out on the hardship cap policy relating to leaseholder liabilities for major works. Consideration must be given to how such a revised policy could be applied to the Noel Park major works on a case-by-case basis taking into account a range of factors including the outcome of the review referred to in Recommendation 10.
12	That the cost of the removal of asbestos in any of the resident leaseholder properties be borne by the freeholder.
<b>NEXT STEPS AND ALTERNATIVE OPTIONS</b>	
13	That round-table discussions take place with the Leader of the Council, Council officers and the leaseholders where all options for the replacement bathroom pods, as proposed by leaseholders, are on the table including full costings. This should include the consideration of permanent traditionally built extensions or the installation of internal bathrooms as alternatives to the modular pods.
14	That a timetable for the talks is agreed and published within 30 days of these recommendations being adopted.
15	That any formal decisions to proceed with any alterations to the affected properties should be deferred until such time as negotiations between the relevant parties have been concluded.
16	That the discussions between the Council and HfH and individual leaseholders over the specific requirements of their properties are included in these negotiations. This should include consideration of whether the additional major works are necessary in individual cases and removing them from the programme where appropriate.
17	That the formal roundtable talks should be minuted and outcomes jointly agreed between the parties.
18	That where costs have escalated well beyond the estimates previously provided to leaseholders and through no fault of the leaseholders, then a compromise on costs should be reached through the above round-table

	discussions. Any revision of costs should take into account the financial circumstances of the leaseholder residents.
19	That a formally constituted Steering Committee, with representatives from tenants, leaseholders and the Council with joint representation, be established to oversee and monitor contract delivery. The Steering Committee should meet regularly as agreed throughout the course of the contract to receive ongoing reports from project managers and contractors in order to monitor delivery, compliance, timetable, budgeting and any other relevant matters.
<b>CONTRACTS AND PROCUREMENT OVERSIGHT COMMITTEE</b>	
20	That a standing Contracts and Procurement Oversight Committee is established drawing on best practice from other authorities. The Cabinet should report back to OSC as to how this might be implemented ahead of the new municipal year in 2021/22.

#### 4. Background to the Review

- 4.1 On 19<sup>th</sup> November 2020, the Housing and Regeneration Scrutiny Panel received a deputation from leaseholders on the Noel Park Estate located in the Noel Park ward.<sup>1</sup> Leaseholders informed the Panel of the Section 20 notices that they had recently received which set out estimated costs for major works of up to £118,000 for some households. This included the replacement of the temporary prefabricated bathroom ‘pod’ structures to the rear of the properties without any alternative options, such as brick-build extensions, being made available. The leaseholders said that in previous years they had been led to believe that the anticipated costs for a replacement pod would be in the region of £25,000 and that the new cost estimates for the works would be financially ruinous to many households. The leaseholders questioned the sustainability and value for money of these proposals and expressed the opinion that communications and consultation had been handled very poorly.
- 4.2 The issues highlighted by the deputation raised questions that the Panel wished to investigate further and the Panel determined to seek agreement from the Overview & Scrutiny Committee (OSC) that a short Scrutiny Review on the proposed Noel Park Major Works, with a specific focus on the bathroom pod extensions to the properties, be added to the HRSP’s work programme. On 23<sup>rd</sup> November 2020 the Noel Park leaseholders made a further deputation to the OSC, which endorsed the HRSP’s proposal for the Scrutiny Review<sup>2</sup>.

<sup>1</sup> Item 5, Housing & Regeneration Scrutiny Panel, 19<sup>th</sup> Nov 2020 <https://www.minutes.haringey.gov.uk/mgAi.aspx?ID=66521>

<sup>2</sup> Item 18, Overview & Scrutiny Committee, 23<sup>rd</sup> November 2020  
<https://www.minutes.haringey.gov.uk/documents/s120476/Minutes%20-OSC%2023%20Nov.pdf>

- 4.3 An evidence gathering meeting for the Scrutiny Review took place on 17<sup>th</sup> December 2020 which was divided into two parts. The first two-hour session involved several of the Noel Park estate leaseholders giving background information about the impact of the major works programme on their individual circumstances and responding to questions from the Panel about this and about possible alternative options to the plans as currently proposed. At the second two-hour session, the Panel heard evidence from Cllr Joe Ejiofor (Leader of the Council), Robbie Erbmann (Assistant Director for Housing), Mark Baigent (Executive Director of Property Services at Homes for Haringey) and Lee Whitby (Capital Work Delivery Manager) who also responded to questions from the Panel based on the evidence that had been received in the first session.
- 4.4 In addition to the oral evidence received through the deputation on 19<sup>th</sup> November 2020 and the evidence-gathering day on 17<sup>th</sup> December 2020, the Panel was also provided with a significant amount of written evidence. Officers at the Housing, Regeneration and Planning department provided the Panel with a full written report, while the leaseholders provided the Panel with a dossier including correspondence and other documentation received from the Council and others along with a summary and timeline of key events.

## **5. Panel Membership and Terms of Reference**

- 5.1 The Members of the Housing & Regeneration Scrutiny Panel that oversaw this Scrutiny Review were:
- Cllr Ruth Gordon (Chair)
  - Cllr Dawn Barnes
  - Cllr Zena Brabazon
  - Cllr Isidoros Diakides
  - Cllr Makbule Gunes
  - Cllr Bob Hare
  - Cllr Yvonne Say
- 5.2 The Panel's terms of reference for the Scrutiny Review were to examine the following areas and to make recommendations to the Cabinet (following approval of these recommendations from the Overview & Scrutiny Committee) on next steps for the Noel Park major works and any possible improvements in these areas in future:
- the historical context, chronology, rationale and decision-making process for the proposed Noel Park major works;
  - the procurement process and contractual arrangements;
  - reasons why the estimated costs had risen so steeply and the implications of the increases for leaseholders;

- the nature of the communication and consultation process between the Council, Homes for Haringey and leaseholders.
- the extent to which leaseholders' and tenants' concerns have been taken into account over several years;
- alternative options to the major works.

## 6. Background to the Major Works

- 6.1 Noel Park estate in Wood Green was planned and developed by the Artizans, Labourers & General Dwellings Company between 1881 and 1913.<sup>3</sup> It comprises a mix of terraced houses and purpose-built flats along with some post-war infill blocks and houses.
- 6.2 Most of the estate falls within a conservation area which was designated in 1982 in recognition of the area's special significance. This was extended in 1991. Some of the estate is also subject to an Article 4 Directive which provides a higher level of planning protection. In 2016, the Council published the Noel Park Conservation Area Appraisal and Management Plan which was intended to *"play a significant role in guiding all aspects of the future management of Noel Park Conservation Area"*.
- 6.3 The Noel Park Conservation Area Appraisal and Management Plan notes that the houses on the estate were originally designed to *"house the families of workers and artisans in fashionable cottage style dwellings"* and that the area *"retains its homogenous appearance and much of its attraction, and is easily distinguished from the surrounding Wood Green area"*.<sup>4</sup> It describes Noel Park as *"one of the few examples of planned Artisan estates within London, built at the height of Victorian philanthropy"*<sup>5</sup> and notes that *"Architecturally, the appeal of the streets in Noel Park comes primarily from the small details of each building such as original sash windows in various designs, garden walls, panelled front doors, ironwork, decorative brickwork and porches."*<sup>6</sup>
- 6.4 Council officers informed the Panel that there are currently 1,183 dwellings on the estate, 181 of which are leasehold properties. A total of 242 properties have prefabricated rear bathroom extensions, known as pods, which were installed in the early 1970s. These are predominantly located in Moselle Road, Farrant Avenue and Gladstone Avenue. It is not disputed that the pods are now well beyond their useful life with defects including structural movements, dampness and the presence of asbestos in the wall panels.

<sup>3</sup> p.1, Noel Park – Conservation Area Appraisal and Management Plan  
[https://www.haringey.gov.uk/sites/haringeygovuk/files/appendix\\_1\\_noel\\_park\\_caamp\\_finalised\\_3.compressed\\_0.pdf](https://www.haringey.gov.uk/sites/haringeygovuk/files/appendix_1_noel_park_caamp_finalised_3.compressed_0.pdf)

<sup>4</sup> p.1, Noel Park – Conservation Area Appraisal and Management Plan

<sup>5</sup> p.3, Noel Park – Conservation Area Appraisal and Management Plan

<sup>6</sup> p.4, Noel Park – Conservation Area Appraisal and Management Plan

- 6.5 The Panel was provided with newsletters that had been distributed by Homes for Haringey (HfH) as far back as 2009. These informed Noel Park estate residents that the bathroom pods needed to be replaced to bring the properties up to a modern standard and that other improvements such as external repairs could be undertaken at the same time. A newsletter dated August 2009 indicated that the sending of Section 20 notices outlining estimated contributions from leaseholders was likely to take place in January 2010 and that the work itself was expected to start around April 2010. The work on each property was expected to take up to 16 weeks depending on the survey results and the entire project was expected to take about three years to complete.
- 6.6 A process of consultation then continued including through resident meetings and further newsletters. However, the programme was delayed after practical difficulties in the delivery of the work emerged including access to back gardens, the assumed need to move residents out of their homes temporarily and the anticipated costs being higher than the average unit costs of the Decent Homes Programme because of the age of the Noel Park buildings and its conservation area status.
- 6.7 By the end of 2010, HfH had established a feasibility study with four options under consideration:

**OPTION 1 - Refurbishment.** This would involve repair work to the existing bathroom pods including underpinning the existing foundations. This option was subsequently rejected as it would only provide a short-term solution estimated to extend the life of the existing pods by around 15 years.

**OPTION 2 - Brick-built extension.** This would involve demolishing and removing the existing pods and the construction of new foundations and brick-built extensions for the bathrooms. This option was subsequently rejected as it was assessed as requiring residents being moved out for around three months.

**OPTION 3 – New pods with traditional foundations.** This would involve demolishing and removing the existing pods and the installation of new foundations and new pods. This option was subsequently rejected as the foundation method was considered to be slow and expensive, based on the assumption that residents would have to be moved out temporarily.

**OPTION 4 – New pods with helical pile foundations.** This would involve demolishing and removing the existing pods and the installation of alloy metal helical pile foundations and new pods. This option was selected by HfH as the preferred option.

- 6.8 Following HfH's selection of Option 4 as the preferred option, the benefits of this approach were described in a newsletter to residents in February 2011 as follows:
- The work could be carried out without the residents having to move out of their property.
  - The product offered the same life span as a traditionally built structure.
  - The new pods could be installed with loss of bathroom facilities of less than one day.
  - The old pod, including any asbestos, could be removed safely from the rear garden using a crane to lift it out of the building.
- 6.9 Further repeated delays to the project followed. In June 2011, residents were informed by letter that the Decent Homes work on the Noel Park estate was being deferred following a reduction in the amount of Decent Homes money received from the Government. However, a pilot project for the pods continued. In 2013 a Noel Park Improvement Project was launched. In 2015 a detailed options appraisal was commissioned to look at the complex internal layout of many of the properties, the poor condition of the pods and to look at how the homes could be brought up to the Decent Homes standard. The options appraisal concluded that the Noel Park estate required significant investment over the next five years.
- 6.10 In 2015, £6.1m of Decent Homes funding was obtained and the Council launched an initial phase of works on the estate to carry out repairs and improvements to 230 homes including new windows, doors, roofs, kitchens, bathrooms, central heating systems and rewiring. This was completed in December 2016. A second phase involving external works to 383 homes ran from October 2016 to July 2017 with a budget of £7.5m, and a third phase involving both internal and external works to 578 homes was carried out from August 2017 to July 2019 with a budget of £9.85m. These works did not include any properties with pods.
- 6.11 In April 2018, Ridge and Partners were appointed to provide consultancy services to manage the delivery of the major works programme and, based on previous options appraisals and surveys, recommended that the pods be replaced using a process of modular construction and installed to individual properties in a single day. At this point, the estimated overall costs of the works increased from £16m to £21m due mainly to an additional 13 properties being added to the scope of the works, the size of pods being increased and safer requirements for the removal of the asbestos.
- 6.12 Council officers informed the Panel that these replacement pods would have BOPAS (Built Offsite Property Assurance Scheme) accreditation which would provide assurance of a minimum 60-year lifespan. In addition to the pod replacements, the major works programme would include roof works, replacement of windows and doors, redecoration and external repairs to the properties.



- 6.13 A two-stage tendering process for the major works was put in place for a design and build project to install the new pods to properties in Farrant Avenue, Morley Avenue, Moselle Avenue and Gladstone Avenue. The first stage of the tendering process was approved in August 2019 with Engie appointed for the design phase.
- 6.14 The Panel was informed that HfH had sought pre-application advice for the replacement pods from Haringey Planning Service in July 2019 and the advice received was summarised as *“no objection in principle to the replacement of decayed, modern extensions... with simple, contemporary extensions which respect the proportions, character, fenestration and detailing of the original properties”*.
- 6.15 The S20 notices to leaseholders, including estimates of the costs of the major works project ranging from £56,000 to £118,000 for individual households, were issued in September 2020. It was anticipated that the build phase of the project would then be considered shortly afterwards by the Cabinet for approval. Following the representations made by leaseholders who objected to the S20 notices, the Council took the decision to split the work into two distinct phases which would enable the first phase, affecting Council tenants only, to be considered for approval by the Cabinet in January 2021. A further programme of engagement would then take place with leaseholders before the second phase and would be considered by the Cabinet at a later date.
- 6.16 The first phase of the project would involve work to 47 tenanted dwellings in Farrant Avenue, Morley Avenue, Moselle Avenue and 70 purpose-built flats comprising tenants only on Gladstone Avenue. The second phase of the project would involve 126 purpose-built dwellings on Gladstone Avenue which are occupied by both tenants and leaseholders.
- 6.17 In December 2020, the Cabinet approved consultation on enhancements to the leaseholder payment options for major works.<sup>7</sup> The report to the Cabinet acknowledged that the current options for leaseholder payments for major works, previously approved in 2013, had been adopted with the expectation that these major works invoices would cost within the region of £25k-£40k. It noted that *“a relatively small number of leaseholders may be presented with much larger bills in the near future”*, referencing the S20 notices that had recently been issued to Noel Park leaseholders, and noted that leaseholders would need more support to pay.
- 6.18 The proposed payment terms for new major works invoices for resident leaseholders were described in the report as follows:

---

<sup>7</sup> Item 382, Cabinet meeting, 8<sup>th</sup> December 2020  
<https://www.minutes.haringey.gov.uk/mqAi.aspx?ID=66284>

- Invoices between £30k and £40k set at 15 years, with the first 10 years being interest free and the remaining 5 years charged at the Public Works Loan Board (PWLB) rate.
- Invoices between £40k and £60k set at 20 years, with the first 12 years being interest free and the remaining 8 years charged at the PWLB rate.
- Invoices above £60k set at 25 years, with the first 15 years being interest free and the remaining 10 years charged at the PWLB rate.

6.19 In January 2021, the Cabinet approved a proposal to award the contract for the first phase of the major works, relating to 117 tenanted properties, to Engie Regeneration Ltd.<sup>8</sup> The pod replacement element of the work would be sub-contracted to ModularWise, which is a manufacturer of modular buildings and extensions.

## 7. Impact of major works on leaseholders

7.1 In their evidence to the Panel, the leaseholders made clear that they agreed that the situation with the pods needed to be addressed and did not want to prevent tenants from benefitting from these works. They were clear that they did not expect the money to come from tenants' rents. Leaseholders said that they had previously been advised that the costs of pod replacements would be in the region of £25,000, but the expected costs of pod replacements and additional major works were now ruinous as they had escalated to as high as £118,000 in some cases. They felt that the only solution that was being explored by the Council was flexible payment plans, which would do nothing to address the issue of these huge bills.

7.2 The Panel heard from several leaseholders about their individual circumstances and how the estimate of their costs in the S20 notices had affected them. The anxiety for their futures that residents felt was palpable for Panel members. That the notices had been served in the middle of a pandemic, when a number of residents were already facing loss of income and economic insecurity added to those fears.

7.3 Leaseholder 1, said that when they had purchased their flat five years previously they had been told that the cost of the pod would be £12,500. They had borrowed additional money through their mortgage accordingly. When going through the process of buying the property, the quoted cost then jumped to £25,000 without any explanation. Leaseholder 1 said that there had been no indication that the costs would ever reach the amount that was now being quoted and spoke about their shock and disbelief of receiving an S20 notice in September 2020 with

---

<sup>8</sup> Item 411, Cabinet meeting, 19<sup>th</sup> January 2021  
<https://www.minutes.haringey.gov.uk/mqAi.aspx?ID=67149>

estimated costs of £108,450 which they said would, in effect, be like having a second mortgage. Leaseholder 1 also spoke about their family situation changing from 2019, including a period of maternity leave, and the negative impact of the pandemic on their employment and income. This would make it even more difficult for them to meet the increased costs of the major works and this was causing them considerable anxiety and stress. They observed that the Council did not appear to be taking the current economic circumstances into account when imposing this financial burden on leaseholders.

- 7.4 Leaseholder 1 said that some leaseholders had been advised by several estate agents that the pod replacements would not add value to their homes. They added that their mortgage lender would have likely not lent to them had they known that there was a hidden liability of more than £100,000 and that the estimated costs in S20 notices had effectively made their homes unaffordable and unsellable. Leaseholder 1 felt that the pod replacement issue could and should have been dealt with some years previously, and they now felt they were being penalised for being leaseholders of the property at this specific time.
- 7.5 Leaseholder 6 had purchased their flat in 2017 with their life savings and a high value mortgage. Leaseholder 6 described the joy of their first home as turning into a nightmare. They had also invested in internal works in the bathroom which would now be demolished. Had they known about the major works they would not have purchased the property. Leaseholder 6 had been made redundant as a consequence of the Covid-19 pandemic. They said that they would struggle to meet the costs of this new £83,000 liability, which would also make the property very difficult to sell. They expressed disbelief that the Council could impose what they described as an inflated cost that would lead to a lifetime of debt. This situation was causing them severe anxiety.
- 7.6 Leaseholder 4 had purchased their property in 2013 but the property had recently been valued at £0 due to the condition of the pod. This left them not only unable to sell the property but also unable to switch mortgage deals. This meant that their monthly mortgage costs were £200 higher than they otherwise would have been.
- 7.7 Leaseholder 7 had bought their property in 2016 and, while they were concerned about the poor condition of their pod, they were initially reassured by a written estimate for a replacement pod of £25,000 that had been provided to them by the Council. They were therefore completely unprepared for the S20 estimate of around £90,000 that they recently received and did not feel able to pay. Leaseholder 7 said that they had built a family and community life in Noel Park over the past 4 years but now felt penalised by HfH which was trying to make up for decades of neglect with them being the unlucky leaseholders left holding the

bill with no power over the outcome. They said that this had caused sleepless nights, anxiety and a sense of betrayal.

- 7.8 Leaseholder 3 had bought their property in 2013 and had been aware of the prospect of major works during the purchase process. However, their recent S20 estimate of around £63,000, which included roof/external works and pod replacement, had been about £50,000 higher than the cost they had been anticipating. About £25,000 of their estimated costs was for a pod replacement even though their top-floor flat did not have a pod. Their liability, according to the lease, was for the single storey pod attached to the ground-floor flat and the replacement of the pod would therefore add no value to Leaseholder 3's property. They described three potential offers for their home falling through because of the S20 notices and the additional worry of the financial burden adding to their uncertain job prospects resulting from the Covid-19 pandemic.
- 7.9 Leaseholder 2 had bought their flat more than 20 years previously and had put aside £25,000 for the major works based on an estimate previously indicated by HfH. The recent S20 notice had estimated their costs to be £109,000. Leaseholder 2 described basing their financial and employment choices on their expectation of paying off the mortgage and how this would be changed by their new financial burden. The likelihood was that they would need to sell their property in due course and move away from their established community and friends. Leaseholder 2 felt that the cause of their predicament was the many years of inaction over the maintenance issues leading to an overpriced solution.
- 7.10 Leaseholder 5 had bought their flat in 2018 after saving for their first home for most of their adult lives. They were now non-resident leaseholders as they had to move away from the area and rent out their property due to their difficult employment situation. The rental income did not meet the costs of mortgage repayments and their financial situation remained difficult. They had been aware of the possible requirement to contribute towards major works but believed that, with the local Council as the freeholder, they would be treated fairly with costs being managed. However, the estimated costs in their S20 notice were around £68,000 - roughly equivalent to the amount of equity they had in the property. Leaseholder 5 regarded this as an unfair and huge burden given that they had been leaseholders for such a short period of time.
- 7.11 A statement was read out to the Panel on behalf of a resident who had been living with their parents on the Noel Park estate for more than 20 years. Their parents were in their 60s and had been hoping to retire in 2021, but now could not do this due to the financial burden of the major works. They said that the emotional impact of the pandemic coupled with the anxiety of the cost of the major works was taking its toll.

- 7.12 Leaseholders did not believe that the cost of the improvements to the properties would be balanced out by a corresponding increase in the value of the properties. An example given was a property worth £412,000 with estimated major works costs of £68,000, which would therefore require a sale at £480,000 to recoup costs. This was not considered to be a realistically obtainable price for a 1-bedroom flat in Wood Green. Leaseholders felt that the losses they would be likely to face would involve life-changing sums.
- 7.13 The Panel accepted that leaseholders had suffered a level of anxiety that was unacceptable. Their evidence in relation to the adverse impact of the major works decision process on residents' financial, physical health and mental health was compelling and credible. The sense of frustration and anxiety was palpable throughout the leaseholder evidence session with people speaking of the impact on their own and their families' physical and mental health, as well as expressing their fears for their futures.

## 8. Section 20 notices

- 8.1 Section 20 (S20) Notices are a legal requirement under Section 20 of the Landlord and Tenant Act 1985 and the Service Charges (Consultation Requirements) (England) Regulations 2003<sup>9</sup>, which requires landlords to consult leaseholders before entering into an agreement to undertake work that leaseholders will have to contribute £250 or more towards. The S20 notices relating to the Noel Park major works were sent to leaseholders on 21<sup>st</sup> September 2020 and set out estimated costs for each leaseholder ranging from approximately £56,000 to £118,000.
- 8.2 The Panel heard evidence that, from the perspective of the leaseholders, the arrival of the S20 notices came 'out of the blue'. These caused enormous distress and anxiety to the leaseholders. One leaseholder observed that the S20 notice had arrived without any meaningful prior consultation, no explanation of increased costs, and no basic information provided on the works. The Panel heard that the notices were read and understood as bills by some leaseholders since each individual leaseholder received an itemised breakdown of the costs they would incur. The terms of the works set out in the letters appeared to some leaseholders, according to their comments to the Panel, to be a fait accompli without any viable alternative options available. Leaseholders interpreted their situation as being placed in a financial vice with bills that they had no means to pay, properties they would not be able to sell and with no apparent say over the major works proposed in the S20 notices. Leaseholders added that they had not heard from HfH since 19<sup>th</sup> March 2020 when they had been informed of further delays on the major works due to the Covid-19 pandemic. Leaseholders said that they had received

---

<sup>9</sup> <https://www.legislation.gov.uk/uksi/2003/1987/schedule/3/made>



no updates in the intervening period so when the S20 invoices were delivered in September 2020 they caused a severe shock. Following complaints from the leaseholders about the S20 notices, they then received a further letter from HfH on 2<sup>nd</sup> October 2020 stating that the S20 notices were not an invoice or a request for immediate payment.

- 8.3 Council officers informed the Panel that the S20 notices outlined the initial scope of the works and estimated costs following a sample survey of the properties in the area based on visual inspections and an assessment of the individual leases. Officers told the Panel that prior to any works being undertaken, a detailed survey would be carried out to determine the final scope of works and conducted on a property-by-property basis. Council officers acknowledged that, while the S20 notices complied with the legislation, the communications which accompanied them from HfH were “flawed and inadequate”. They had subsequently apologised to leaseholders and held a “lessons learned exercise”. However, officers did not elaborate on what had been learned or what mitigations had been put in place.
- 8.4 In line with legal requirements, the S20 letters, dated 21<sup>st</sup> September 2020, provided leaseholders a 30-day period within which to provide written observations which the freeholder has a duty to have regard to. However, the report agreeing to confirm the appointment of a contractor to carry out the works had been due for ratification at a meeting of the Cabinet on 13<sup>th</sup> October 2020. The intention to present the report to Cabinet on 13<sup>th</sup> October 2020 was published in the Council’s Forward Plan for Cabinet meetings (which is issued monthly) on 6<sup>th</sup> August 2020 and again on 14<sup>th</sup> September 2020. The proposed date was then postponed according to the next version of the Forward Plan issued on 9<sup>th</sup> October 2020. The Panel considered that the political process had precipitated the S20 letters being sent to the leaseholders of which they had no advance warning or consultation. Panel members took the view that the decision-making process was on course to take place as rapidly as possible, leaving little time for leaseholders’ formal observations to be fully considered and taken into account.
- 8.5 On 11<sup>th</sup> December 2020, a week before the Scrutiny Panel’s evidence session, the Leader of the Council, Cllr Joe Ejiofor, wrote to leaseholders stating that: *“A section 20 consultation is one of the legal steps that we have to undertake, but more importantly, it’s also an opportunity to hear your views, concerns and ideas so that we can take account of this in our planning.”* The letter informed leaseholders of the Council’s intention to split the contractual decision meaning that, while the Cabinet decision on the replacement of the pods would be taken at the January 2021 Cabinet meeting, this would affect only those blocks occupied by council tenants. A decision on the leasehold or mixed tenure homes would be delayed to a later Cabinet meeting, *“to allow more time to work with you to consider all options.”* Cllr Ejiofor’s letter included a commitment to listen to the leaseholders: *“I have stated the importance of giving every leaseholder the*



*opportunity to voice their views on the works that are taking place. We are determined to work with you throughout this process.”*

- 8.6 In response to the S20 letters, leaseholders submitted their observations on 21<sup>st</sup> October 2020 in the form of 105 questions. These questions were submitted on time as specified in the S20 letter which set a deadline of 24<sup>th</sup> October 2020 for any written observations to be received by HfH. At the evidence session on 17<sup>th</sup> December 2020 the Panel was informed that many of these questions remained unanswered and that some answers were incomplete. While there was no specific requirement under the legislation for the Council/HfH to respond to these questions in full, the Panel believed that leaseholders had a reasonable expectation to receive a response to their legitimate questions and concerns. A full response to the questions from leaseholders was not published until January 2021.<sup>10</sup>
- 8.7 Leaseholders and Panel Members expressed concerns that the Council was using a shortened means of S20 consultation. A full consultation process required for major works under Section 20 of the Landlord and Tenant Act 1985 can involve up to three stages, each requiring notices to be provided by the freeholder to the leaseholders with opportunities for leaseholders to make observations. The first stage of the process also allows for leaseholders to nominate a contractor for the freeholder to obtain an estimate. However, a shortened version of consultation, with only one stage requiring a notice and no opportunity for the leaseholders to nominate a contractor can also be applied according to the legislation. This shortened version can be utilised when the freeholder has a Qualifying Long Term Agreement (QLTA) in place, which is a contract for services with a contractor of more than 12 months. The Council was legally able to implement that shortened consultation process due to its QLTA with the London Construction Programme (LCP).
- 8.8 The process of entering into a QLTA involves a separate statutory consultation process.<sup>11</sup> In May 2018, HfH issued leaseholders with a Notice of Intention to enter into a QLTA in relation to the housing capital works programme. This did not specify a contractor but instead said that, together with other members of the LCP, the Council proposed to enter into a Framework Agreement with a number of major construction contractors, any one of which may then be instructed to undertake the works. A Notification of Landlord’s Proposals to enter into a QLTA then followed in September 2019. This specified that the Council proposed to enter into five-year Framework Agreements with “*up to 25 (Lot 1) and 16 (Lot 3) major construction contractors*” any one of which may then be instructed to undertake the works. The presence of this QLTA, while it did not specify who the

---

<sup>10</sup> [https://www.homesforharingey.org/sites/default/files/noel\\_park\\_frequently\\_asked\\_questions\\_-\\_jan\\_21\\_v2.pdf](https://www.homesforharingey.org/sites/default/files/noel_park_frequently_asked_questions_-_jan_21_v2.pdf)

<sup>11</sup> <https://www.legislation.gov.uk/uksi/2003/1987/schedule/2/made>

contractor would be, meant that the Council could legitimately adopt the truncated S20 consultation process.

- 8.9 Officers told the Panel that the rationale for using the LCP major works framework was that it was considered to provide value for money and deliver speed of access to quality-checked contractors and companies that focus their resources in the local area. They added that the LCP framework was an OJEU (Official Journal of the European Union) compliant framework. Most public sector organisations used OJEU compliant frameworks for construction works and the LCP was used for most of the Council's construction activity.
- 8.10 The Panel was concerned that the procurement process was 'top down' with no involvement of leaseholders. The Panel acknowledged that the use of a QLTA through LCP framework was S20 compliant but also understood why leaseholders had concerns that this substantially reduced the requirement for formal consultation. The Panel was concerned that the letters sent to Noel Park leaseholders were mainly generic rather than communications providing specific advice to residents directly affected by the decision on the LCP. The Panel concluded that, while the Council had fulfilled the legal minimum requirements for consultation, this was not by itself an adequate way of consulting leaseholders over a decision which would have such a major impact on their lives.
- 8.11 The whole train of events precipitated by the publication of the proposed Cabinet committee decision and the despatch of S20 letters has exposed a failure to consult in a meaningful way and an apparent lack of regard for the leaseholders to whom the Council as the freeholder owes a responsibility. The evidence suggested that it was only when leaseholders responded with a vigorous public campaign that the Council started to pay more attention to their views.
- 8.12 The Panel did not dispute the assertions from Council officers that the consultation process with leaseholders had been compliant with S20 legislation. It further acknowledged that the practice of shortening the consultation process because of the QLTA that was already in place was also legally compliant. However, the Panel concluded that the Council ought to have a higher bar for its engagement, formal consultation and communications processes with leaseholders than simply fulfilling minimum statutory requirements and that genuine dialogue with residents over the proposals, the expected costs and timescales and possible alternative options should have taken place with leaseholders prior to the S20 notices being issued.

**RECOMMENDATION 1 - That an investigation be undertaken as to why responses to leaseholder questions submitted after receiving the Section 20 notices in September 2020 were not answered in full or in good time. This investigation should**

be conducted by an independent party and published with recommendations for improvement.

**RECOMMENDATION 2** - That a review takes place on the consultation and engagement process with residents that is used in circumstances where the Council has a QLTA in place. The Panel emphasised that high level, comprehensive, meaningful engagement with residents should always be the starting point and was concerned that the QLTA established through the LCP Framework had enabled a curtailed and inadequate consultation period of 30 days.

## **9. Consultation with leaseholders**

- 9.1 In evidence to the Panel, leaseholders expressed a clear view that the decisions on the major works appeared to have already been made by the Council prior to the S20 notices being issued. They viewed decision-making to be a ‘top down’ process over which they had very little influence. They described the consultation activity as “non-existent” and said that they did not know when, or whether, it would be possible for conversations to take place to explore alternative options to bring the costs down. They did not want to delay the work on the homes of Council tenants, but did welcome the pause in the process to allow further time for discussion on the proposals for the leaseholder properties.
- 9.2 The Panel was provided with details of a substantial amount of consultation work that took place from 2009 to 2011 on previous plans to replace the pods that were eventually dropped. These included regular newsletters and minutes from residents’ meetings. Leaseholders observed that in recent years, in contrast to this, they had not been regularly updated on developments in the same way. Questions asked by leaseholders in emails after the S20 notices had been issued were not always answered, with some residents receiving a response advising that some questions did not fall under the remit of Section 20 and would instead have to be answered under the Freedom of Information (FOI) process.
- 9.3 However, not all FOI requests were responded to in a timely manner. A search of the website [whatdotheyknow.com](http://whatdotheyknow.com), which compiles FOI requests and the responses to them, showed that several of the FOI requests submitted on the subject of the Noel Park major works were out of time with the requested information not provided. Other information requested has been refused.
- 9.4 Panel members were very disturbed by the content of a chain of email correspondence that was submitted in supplementary evidence. The email chain consisted of correspondence between Council officers about how to respond to Noel Park leaseholders’ FOI requests. The correspondence included a discussion about the option for the Council to use an existing policy to cap the

invoices of leaseholders to £10,000 in cases of extreme hardship. A senior officer requested that the reference to this policy be excluded from the FOI response on the basis that “it would heavily undermine our position”. Also, included in the correspondence was a comment by an officer noting that they had been asked to run all FOI requests on this issue past the office of the Leader of the Council.

- 9.5 The Panel was deeply concerned about the implications of how FOI requests are treated by the Council when controversial issues are raised. The Panel felt that the evidence in the email chain demonstrated that decisions about FOI responses were being made based on what might cause embarrassment to the Council. The Panel was also very concerned that there appeared to be political interference with the response to FOI requests as this goes against the spirit of Freedom of Information legislation and principles of openness and transparency.

**RECOMMENDATION 3 - That Freedom of Information requests should be responded to without any interference or filtering through political offices.**

- 9.6 In response to a question about what formal consultation had taken place in relation to the current proposed works, the Panel was informed by officers that residents had been notified about the Pre-Construction Services Agreement contract discussions (the “design phase” referred to in paragraph 6.13) in a series of four letters between June 2018 and February 2019. This was followed by the S20 consultation process in September 2020.
- 9.7 The Panel was also provided with minutes of a meeting in August 2019 that involved representatives of HfH, a Residents’ Association, two leaseholders and a tenant. This meeting was not a public meeting and only “key leaseholders” identified by the leasehold team had been invited to attend. A presentation was made setting out the approved brief for the works, the design and procurement plan. Leaseholders told the Panel that, at a further meeting in November 2019, there was still no information provided about the cost of the works despite the design phase of the works contract being awarded to a contractor. The Panel was informed that a consultation meeting between some leaseholders and HfH officers had taken place in July 2020 at which some initial information was shared on the planned works. One leaseholder described another meeting with HfH officers in October 2020 where they were advised that leaseholders had been given the minimum information required under Section 20 legislation. Leaseholders felt that these examples were indicative of the culture of the organisation and an approach to consultation that left leaseholders feeling excluded from the decision-making process.
- 9.8 The Panel raised concerns about the lack of meaningful consultation and correspondence with Cllr Joe Ejiofor. He reiterated that he could only address the

more recent decision making (having been Leader of the Council since 2018) but said that residents had been engaged with about the pod replacement over the past year. The issue he said, was the S20 notices which were not clear and open to misinterpretation. He said that this had been wrong and a mistake and he had apologised to leaseholders for this. Moving forward, he said that the aim was to bring homes up to a decent standard, emphasising the importance of not having to do numerous spot repairs, and looked forward to continuing discussions with leaseholders on solutions that would achieve this.

- 9.9 The Director of Property at Homes for Haringey, added that there had been several rounds of consultation prior to the issuing of the S20 notices and that it would be important to have individual conversations with leaseholders to fully understand their circumstances and address as many concerns as possible. Cllr Ejiofor informed the Panel about conversations with residents including the invitation of a residents' group with the contractor in late 2019 prior to the designs being finalised.
- 9.10 Cllr Ejiofor informed the Panel that the next steps of consultation would involve officers speaking with leaseholders about the scale of the works necessary on their homes and speaking with individual leaseholders about their remaining concerns. He emphasised that the aim of the major works was to improve people's housing and living standards and wanted to listen to leaseholders to help find a way forward to achieve this.
- 9.11 As a public body, the Council is expected to uphold high standards of accountability and transparency. The Panel's view was that evidence provided by leaseholders of their correspondence with the Council demonstrated that that this has not always been the case in this matter. The slow and incomplete response to the letter from leaseholders where serious detailed questions were asked in response to the Section 20 notice was one such example.<sup>12</sup>
- 9.12 Evidence provided by leaseholders revealed sporadic attempts to involve them in working groups, stretching back over several years, but the lack of commitment and consistency in this area in recent years and the period preceding the recent issuing of the S20 notices had undermined trust and confidence and actively prevented participation in decision making regarding the proposed repairs.
- 9.13 The evidence heard by the Panel indicated that confidence and trust had been eroded through a combination of poor communication, top-down decision-making and lack of empathy and understanding of the impact of the Council's and HfH's actions on the tenants and leaseholders. It was clear from the evidence that, while leaseholders had made repeated attempts to achieve clarity on the

---

<sup>12</sup> The Panel acknowledged that a full response to these questions was eventually provided in January 2021.



major works proposals, they had repeatedly found that they were unable to do so.

- 9.14 The Panel was particularly struck by the evidence heard from several leaseholders that they had not anticipated the S20 notices or the high estimated costs. The Panel had seen evidence of previous engagement work with residents from 2009 to 2011 over the earlier unsuccessful plans to replace the pods. This included meetings with residents and regular newsletters which explained the proposals and anticipated timescales for the works. It appeared from the evidence received by the Panel that residents had not been kept updated on a regular basis in this way in 2020 and that consequently the S20 notices came as a shock to many of the leaseholders.
- 9.15 The Panel concluded that restoring confidence in the communications process would require not just the additional dialogue with leaseholders that had been promised prior to the Cabinet decision on the major works but also continued engagement with leaseholders throughout the delivery of the major works and improved communications protocols for the future with leaseholders in the Borough.

**RECOMMENDATION 4 - That a thorough review takes place in relation to how the Council and Homes for Haringey respond and engage with leaseholders.**

## **10. Maintenance of the properties and the extent of works required**

- 10.1 In response to questions from the Panel, leaseholders expressed the view that the Council, as the freeholder, had not undertaken sufficient general upkeep of the properties on the Noel Park estate. They said that repairs seemed only to be undertaken when the panels on the Pod were becoming detached from the walls or when the asbestos became visible. When urgent works were completed, they were costly and completed to a mediocre standard. One leaseholder noted that they had been advised by HfH that from 2017, annual inspections should be taking place but these did not appear to be happening.
- 10.2 Leaseholder 4 told the Panel that they had already spent £1,000 in patchwork repairs to the pod since purchasing the property in 2013. Following a recent visit from a structural engineer and a surveyor there were plans for a temporary wrap-around to make the pod weatherproof until the new pod was installed. The costs of this were not yet known and they did not know whether the current pod was safe or not. They spoke about HfH's failure to maintain the properties in Noel Park properly for many years and were worried about future maintenance issues with a new pod.



- 10.3 Leaseholders pointed out that the Council had known that the Pods needed to be replaced for more than 30 years but had continually delayed making any decision. The Decent Homes work was also long overdue. The result was that these works had to be done and were now being taken forward with substantially increased costs. The leaseholders felt they were being penalised for owning their properties at this current time.
- 10.4 In his evidence to the Panel, Cllr Joe Ejiofor said that from considering past decisions (which pre-dated his administration), it seemed that there had been a number of opportunities to consider replacing the pods but this decision had not been taken and had been constantly deferred as 'too difficult'. He noted that the Ridge feasibility study had been completed in June 2018 and that the Council was now in a position to take action and move forward. This was in contrast to ten years or more of non-decision making prior to this.
- 10.5 Cllr Ejiofor said that to resolve the situation moving forward, it would be important to take into account that:
- The pods needed to be replaced as they were well beyond their lifespan.
  - The Cabinet had to balance the concerns of leaseholders with the interests of Council taxpayers or Council tenants who pay into the Housing Revenue Account (HRA), who would otherwise have to subsidise this work, and ensure that the costs were shared fairly and appropriately.
  - The Council's administration was listening to the concerns raised by leaseholders and had split the work into two phases to allow more time for engagement.
  - The Council had also taken on board the concerns of the six leaseholders whose properties do not have bathroom pods but who have liability for maintenance costs to the exterior of the building as a standard clause in their leases. The Council was prepared to explore this matter with the six leaseholders to find an equitable solution.
  - There were 30 leaseholder properties that were shared with another leaseholder. If two leaseholders were prepared to buy the freehold, the Council would seek to expedite this process prior to any major works taking place so that they could proceed with a different solution if they so wished.
- 10.6 Cllr Ejiofor also emphasised that the Council was not intending to carry out any unnecessary works and it would be important for each property to have a bespoke survey to understand the level of work necessary. In response to concerns from leaseholders about the independence of the surveys, officers said Ridge would be carrying out the surveys and they were independent of Engie. Therefore, all the information gathered by Engie would not be included in these standalone surveys. The aim was to complete the surveys by the end of February 2021 in order to inform the Cabinet decision on the second phase of the works.

- 10.7 The Panel felt that, given the concerns of leaseholders about the significant rise in the estimated costs of the major works, and in order to restore confidence in the process there should be a separation from the appointed contractor or the other organisations used routinely by the Council in the carrying out of the surveys.

**RECOMMENDATION 5 - That independent surveys of leaseholder and shared tenure properties are undertaken by external surveyors, funded by the Council.**

- 10.8 The Panel's view was that there had been a systemic failure over many years with the Council knowing that the pods were unsuitable and in a poor state of repair but repeatedly delayed the major works to the point that costs have escalated. This conduct by the Council led to the current leaseholders having a significant financial burden placed upon them and a breakdown of trust.

#### Built Offsite Property Assurance Scheme (BOPAS)

- 10.9 The Built Offsite Property Assurance Scheme (BOPAS) is a scheme described by its founders as a *“risk based evaluation which demonstrates to funders, lenders, valuers and purchasers that home built from non-traditional methods and material will stand the test of time for at least 60 years.”*<sup>13</sup> The scheme was developed by the industry campaign organisation Buildoffsite that promotes greater uptake of offsite techniques, along with other organisations in the industry such as the Royal Institution of Chartered Surveyors.
- 10.10 In response to questions from the Panel, the Assistant Director for Housing, advised that all the new pods would have a BOPAS guarantee. He told the Panel that this was used extensively to provide assurance for various types of buildings and would enable leaseholders to access a wide range of mortgages on their properties. He also indicated that the Council would also provide a 12-year guarantee and would meet the costs of any issues arising in relation to the structure of the new pods. Those leaseholders who had recently experienced difficulties in obtaining mortgage financing or in being able to sell their properties expressed scepticism about the BOPAS guarantee and whether the prospect of a new pod under the BOPAS scheme would provide the equivalent security of a brick-built extension. The Panel agreed that this was a relevant concern given the evidence that had been heard about leaseholders being unable to switch mortgage products and of recently having offers to purchase their properties being withdrawn due to the S20 notices. The Panel considered that if leaseholders felt trapped and ‘unmortgageable’ in their current situation prior to the major works then their ability to freely access the mortgage market after the major works was crucially important to them.

---

<sup>13</sup> <https://www.bopas.org/#>

**RECOMMENDATION 6 - That fully evidenced assurance is provided to leaseholders to demonstrate that BOPAS accreditation will enable mortgage borrowing on the refurbished properties. This written evidence should be provided to leaseholders in advance of any binding decision and prior to any works being commissioned or commenced.**

10.11 The Panel was informed that the design of the new replacement pods includes an external cladding system. Following the Grenfell tragedy of 2017, the fire safety rating of cladding systems has been of heightened importance to all residents living in properties with cladding. Leaseholders across the country have also been affected financially (some severely so) by the requirements to replace inadequate cladding systems. The Panel received written evidence that the cladding system to be used on the new pods will be provided by Rockpanel and the materials to be used have an A2 fire safety rating.

10.12 In written evidence to the Panel, Council officers stated that *“Fire safety is an important priority for the Council which is committed to only using materials that meet the highest level of recognised standards. These materials will not be on any list requiring removal by the government or other regulatory authorities under the current governing standards that have been revised following the Grenfell tragedy. The Council will employ the expertise of a qualified fire engineer to ensure any cladding system takes into consideration all aspects of fire safety requirements.”*

10.13 The Panel welcomed these assurances but also recognised that leaseholders would understandably have anxieties over the safety of any cladding system that would be installed and that this could potentially be addressed through more detailed information being provided to leaseholders.

**RECOMMENDATION 7 - That full assurances are provided in writing in relation to the contractors to be used for the application of cladding materials on the pod extensions. A full separate cladding report to be written and presented for sign-off to the council’s fire officer and to building control before any works commence. An assurance must be provided to leaseholders that they will not be held financially liable if cladding needs to be removed or replaced at any point in the future.**

**RECOMMENDATION 8 – That works on properties on the Noel Park estate are subject to the approval of LBH building control in relation to standards and that the London Fire Brigade should be consulted with regard to fire safety of any external pods.**

## 11. Estimated costs of major works

- 11.1 During the course of the review, leaseholders stated that they had bought their homes knowing that the Council was the freeholder and with the full expectation and understanding that they would have to pay for repairs and contribute to major works programmes. In their conversations with the Panel, leaseholders were clear about their obligations and responsibilities within the context of their lease agreements. However, central to the concerns raised by leaseholders was how the latest estimates differed so widely from what they had been told when they first bought their properties and in subsequent years. Leaseholders questioned why the cost of a replacement pod was so high and felt that the procurement process ought to have provided better value for money in a competitive market.
- 11.2 The Panel was informed that there were only two good bids for the contract works which met the quality criteria. Officers commented that it was not unusual to only get two bidders for the contract during a competitive process and that the bidders would not have known how many bidders there were during the process. The preferred bidder was selected on 60% quality and 40% on price and overall this was a process that the Council could stand behind.
- 11.3 The Panel was provided with a document that set out an estimated cost of major works for a specific property in Gladstone Road, which was issued by HfH in June 2012. The property in question was a 3-bedroom flat based in one half of a house that had been split into two flats. The overall cost for the two-flat block as a whole was £48,388 which comprised of the following:
- Pod replacement - £25,000
  - Windows - £14,630
  - External decorations - £4,500
  - Other (Scaffolding, primary wall finish, flat roof) - £4,258

Two-thirds of this cost was allocated to the flat in question, resulting in a total estimated cost for the major works to the leaseholder of £32,258.

- 11.4 A newsletter sent from HfH to residents in July 2012 reiterated that the estimated cost of a pod was £25,000 but that the works would be tendered to obtain the best possible price. The equivalent figure in 2020 prices is approximately £30,000.<sup>14</sup>
- 11.5 In contrast to this, the Panel was provided with a breakdown of estimated costs of £108,450 relating to works to a leaseholder's property as specified in a S20 notice issued in September 2020. The total cost of the works to the block of two flats was estimated to be £179,916 which was broken down as follows:
- Removal and replacement of Pod 1 - £51,160

---

<sup>14</sup> <https://www.bankofengland.co.uk/monetary-policy/inflation/inflation-calculator>

- Removal and replacement of Pod 2 - £43,358
- New windows - £21,258
- Replacement of roof - £18,632
- Asbestos removal from pods - £9,778
- Repair replacement to apron/stepped flashing, coping stones, eaves timber, rainwater goods - £9,738
- New flat entrance doors - £4,552
- Scaffolding - £2,157
- Brickwork repairs - £1,957
- External decorations - £1,644
- Risk allowance for additional pile requirements, internal floor level alterations - £1,136
- Asbestos survey/removal of asbestos to roof space - £683
- New fencing - £552
- Works associated with drainage surveys - £369
- Other works including protection of the internal property - £306
- Fees - £12,630

The Bedroom Formula<sup>15</sup> was then applied to the property of the leaseholder in question to come to a figure of £107,950 plus a management fee of £500 resulting in a total estimated cost of £108,450.

- 11.6 Though the figures for the June 2012 breakdown and the September 2020 estimate were not for the same property, there were significant differences in the cost estimates for equivalent items even when inflation was taken into account, most notably the cost of the pod replacement.
- 11.7 In response to questions from the Panel about the cost of the pods, Cllr Ejiofor said that, in 2012, pod replacement works had been carried out on 4 flats in Gladstone Avenue at a cost of £68,000 per pod. He added that, by 2013, there was a capital lease programme for 2014-16 and that the report to the Cabinet had been misleading as it stated that the costs of the pilot pod replacement works were £25,000 per property. In 2014, feasibility reports suggested that the pods should not be replaced and that the bathrooms should be brought inside the properties. However, this option fundamentally changed the nature of the properties and it was considered that residents did not want a smaller home. This 2014 report was used as the basis for the cost estimates given to leaseholders in 2015 but appeared that this was not made explicitly clear and this solution proposed would have significantly reduced the value of the properties.

---

• <sup>15</sup> The Bedroom Formula, used to calculate the proportion of payments by leaseholders is: the cost of communal works to the building divided by the total number of bedrooms in your building plus one for each flat multiplied by the total number of bedrooms in the flat plus one.



- 11.8 Cllr Ejiofor emphasised that, as freeholder for the properties, the Council had a responsibility to act fairly and responsibly and this is what the Council would do. He said that there was also a responsibility to Council taxpayers who would have to bear the costs if the Council spent its own money on supporting leaseholders. There was therefore a need to balance the alternatives and options which was why the Council was listening to leaseholders and seeking to understand and respond to their concerns.

#### Resale packs

- 11.9 Leaseholder 6 informed the Panel that they had not been made aware by HfH of any plans to replace the pods or any potential major works and that the searches made prior to the purchase had not brought any information about this to light. Having rechecked this with their solicitor, there had been no mention of the major works in their HfH resale pack and the only indication of future works was a list of minor works costing £7,264 for the whole block. The estimated total costs recently received by Leaseholder 6 in their S20 notice were £83,050.
- 11.10 Leaseholder 3, whose costs were estimated at £63,000 in their S20 notice, told the Panel that the resale pack they were given during their purchase had not included details of these costs. Their property was a top floor flat with no pod and there had been no mention of the pod on the ground floor flat (that they were now partly liable for the costs of replacing) in their surveys. The Panel was provided with a copy of the written information provided to Leaseholder 3 in November 2013. This provided a breakdown of estimated costs for windows, primary wall finish and scaffolding totalling just over £9,500. The document included a disclaimer which states *“Please note that the programme is subject to alteration as works can occasionally be scheduled at short notice. We cannot accept any liability for any future costs that the purchaser may have to pay, where works are identified at this particular time. Statutory consultation will take place before any major works are carried out”*. No reference was made to the future costs likely to be incurred from the pod replacement work even though, as set out in paragraphs 6.5 to 6.9 of this report, there had already been a recent feasibility study and previous consultation with local residents by this time.
- 11.11 Another leaseholder informed the Panel that, when a friend bought their flat in 2018, they were also not given this information when their solicitor carried out searches. The Executive Director of Property Services at Homes for Haringey said that he was willing to investigate any individual cases where a leaseholder believed that they did not receive the correct information or where something was missing from the home buyer pack.
- 11.12 The Panel was concerned that when purchasing their properties, some leaseholders had reportedly been supplied with sellers’ packs that had vital



information missing with regard to potential costs of leaseholder contributions for repairs and refurbishments. The Panel considered that the Council must clearly establish the facts on what information about expected costs, including any specific figures, had been provided to leaseholders in their sellers' packs and at any other point during the purchase process.

- 11.13 The Panel was also concerned to learn that a small number of leaseholders occupying part of a building that had been split into two separate properties, were liable for a substantial portion of the costs of a pod replacement on their neighbour's property even though their own property had no pod itself. In evidence to the Panel, the Leader of the Council said that, under the leases, there was a liability for costs for carrying out repairs and maintenance to the exterior of the building which was a standard clause. However, he indicated that these liabilities were an issue that the Council was prepared to explore with the affected leaseholders to find an equitable solution. The Panel thought it highly unlikely that the leaseholder of a property without a pod could have reasonably anticipated such a high liability to themselves for pod replacement work unless they had been specifically made aware of this during the purchase process. The Panel therefore felt that any review by the Council of the information previously supplied to leaseholders in their sellers' packs or at any other point during the purchase process should establish whether the leaseholders in such circumstances were made aware of this potential liability.

#### Potential capping of costs

- 11.14 The Panel was informed by officers that, in circumstances where the leaseholders could not afford to pay the costs, alternative options would include the Council taking a charge on the property or agreeing a shared equity option where a stake in the leaseholder's property would be surrendered to the Council without any payment until the point of sale. Leaseholders' views on this was that this did not address their primary concerns about the need to alleviate the overall high cost but only spread that cost over a longer period of time.
- 11.15 A chain of email correspondence that was submitted to the Panel brought its attention to the existence of a Council policy that provided for an option to cap invoices to £10,000 in cases of exceptional hardship. The Panel understood that this was an existing Council policy dating back earlier than 2008 that had previously been used to reduce the costs of leaseholders in a limited number of cases relating to historic major works and could therefore be potentially utilised. The Panel accepted a point made in the email chain that such a cap at a level as low as £10,000 would not be appropriate in most cases on the Noel Park estate given the anticipated cost of the works which the leaseholder would gain some benefit from.

11.16 However, the Panel considered that, given the large disparity between the costs estimated in previous years and the costs estimated in the recent Section 20 notices, and the impact on leaseholders who had been put in a position where they were not financially prepared for such high costs, some kind of capping arrangement could be appropriate in some cases to offset excessive financial burden. Given this background, the Panel felt that capping would not necessarily need to be limited to cases of extreme hardship but could be based on a number of factors on a discretionary case-by-case basis. This would include individual financial circumstances, any expected increase in the value to the property resulting from the works and the information provided to the leaseholder about the anticipated costs of the major works at the point of purchase. The Council's existing capping policy relating to major works affecting leaseholder properties should therefore be urgently reviewed to bring it up to date and consideration given to how such a revised policy could be applied to the Noel Park major works.

#### Asbestos removal

11.17 Part of the reason for the high cost of the current pod replacement estimates was the removal of asbestos from the existing pods which was estimated to cost around £10,000. Asked why this was so expensive, officers informed the Panel that what was considered safe a number of years ago, would not be applicable today. The removal needed to take place under permitted control conditions and needed notification of the Health and Safety Executive (HSE). There was a need to construct an enclosure with removal taking place in a negative pressure environment. This was in an area where the air is filtered, and which prevented a release of fibres into the air. Using correct decontamination procedure was vital and there would need to be specially trained officers using respirators in accordance with HSE procedures.

11.18 The Panel was concerned that the high cost of removing the asbestos added additional financial burden to leaseholders who were not responsible for the asbestos having originally been used. This further increased the substantial gap between the estimated costs that leaseholders had originally been told about some years ago and the higher current estimated costs.

**RECOMMENDATION 9** - That it is established how estimates for pod replacement and other works have escalated over the time-period between the purchases of the properties and the S20 notices issued in September 2020.

**RECOMMENDATION 10** - That a review is undertaken to establish whether resale packs supplied to leaseholders when purchasing their properties were complete and correct. The review must clearly establish the facts about what information on expected costs, including any specific figures, had been provided to leaseholders in

their sellers' packs or at any other point during the purchase process. The review should include establishing what information was provided to leaseholders who are now liable for costs relating to neighbouring properties in the same building.

**RECOMMENDATION 11** - That an urgent review is carried out on the hardship cap policy relating to leaseholder liabilities for major works. Consideration must be given to how such a revised policy could be applied to the Noel Park major works on a case-by-case basis taking into account a range of factors including the outcome of the review referred to in Recommendation 10.

**RECOMMENDATION 12** - That the cost of the removal of asbestos in any of the resident leaseholder properties be borne by the freeholder.

## **12. Next steps and alternative options**

12.1 In evidence to the Panel, the leaseholders communicated four clear policy asks from the Council:

1) That the Council pauses and reconsiders, and that it does everything in its power to bring down the costs.

2) That the additional works are removed from the programme so that the urgent focus can be placed on the issue of the pods.

3) That the current proposal to replace the pod with another pod is scrapped and alternative viable options are offered.

4) That a separate programme is developed in consultation with leaseholders, outside of the main contract for tenanted properties, for those blocks containing leaseholder properties, to ensure best value for money.

12.2 The leaseholders highlighted three alternative options to replacement pods. They commented that valuations on what each of these options would mean for how much their property would be worth in each scenario would be very helpful for all leaseholders as, following the advice received from estate agents that the pods would not add value to the property, this was a key financial consideration for them.

**OPTION 1 – To remove the existing pod, brick up the doorway and incorporate the bathroom into the existing brick structure of the property**

12.3 In written evidence to the Panel, leaseholders said that the existing kitchens are very small and so, with this option, the kitchen would be moved into the dining

room to create a kitchen/diner and the bathroom would be moved into the position of the kitchen. They said that the bathroom and kitchen work could be carried out by the leaseholder as set out in the lease and that previous options studies suggested that this work could be carried out for less than £15,000 per household. They noted that several first-floor flats that do not have pods are already laid out in this way and provided the Panel with floor plans to illustrate this.

- 12.4 In oral evidence to the Panel, one leaseholder said that they were not being given the option of an internal bathroom and felt that reconfiguring the existing internal space in the flat would be a better and cheaper option.
- 12.5 The Panel raised this option with the Leader of the Council and officers and was told that bringing the bathroom into the house would make the rest of the living space smaller and that there would still be a significant cost for leaseholders even if they did not have a replacement pod installed. For example, the estimated cost of asbestos removal was £10,000.

OPTION 2 – To repair and maintain the existing pod, removing the asbestos and external plywood cladding, and replacing the insulation and external walls

- 12.6 Leaseholders said that this option could be completed in less than 2 weeks at a cost of around £10,000 per pod and that there would be no need to rehouse tenants. They noted that this work had already been carried out on a number of pods on Gladstone Avenue.
- 12.7 The clear drawbacks of this option would be the short-term nature of the solution and the leaving in place of the out-of-date pods.

OPTION 3 – Build a permanent brick extension

- 12.8 Some leaseholders expressed a preference for replacing their pod with a permanent brick-built extension rather than another pod with a more limited life-span that would leave future leaseholders in a similar predicament.
- 12.9 The main reason given by the Council against this option related to the necessity of decanting residents during the period that this work was carried out, whereas a replacement pod, it was anticipated, could be installed in a single day.
- 12.10 The option had been considered and rejected as part of a HfH feasibility study in 2010/11. An information sheet provided by HfH to residents in 2012 confirmed that this option would not be made available and explained *“The costs for a brick-built extension were comparable with the pre-fabricated pod extension. However, associated costs for removals, storage and temporary accommodation costs*

*would need to be applied and it was felt that this would be make the option too expensive. Residents would also need to be moved out for approximately 3 months if this option had been chosen.”*

- 12.11 A letter to leaseholders from HfH in October 2020 stated that *“Brick extensions would cost about the same as prefabricated pods to construct, but we would also have the additional cost of moving residents out for about three months to enable the works to be done, as well as the inconvenience this would cause to many residents.”*
- 12.12 Leaseholders observed that, when the original pods were installed in the 1970s, residents had been offered the option not to have a pod at all. However, in 2020 residents were not being given that option. The justification for this appeared to be convenience rather than sustainability or value for money because the change could be made without the need for residents to be decanted.
- 12.13 Leaseholders suggested that the cost of a brick-built extension may compare favourably to another pod given that the estimated costs of the pods had risen by so much. They felt that the estimated cost of a brick-built extension suggested by the Council seemed too high and did not bear any resemblance to previous estimated costs that they had seen.
- 12.14 A report from the Housing & Regeneration team to the Panel in December 2020 provided a breakdown of the estimated costs for a traditional brick-built extension which it stated would be an additional £7,308 per property when compared to a modular construction (pod). The estimates originated from a cost analysis undertaken by the Council in February 2020 and did not include the additional decant costs that was deemed to be necessary under the brick-built extension option.



# **Bathroom cost comparison - Modular vs Traditional brick-built**

<b>Bathroom Extensions</b>			<b>Traditional</b>	<b>Modular</b>
	<b>Construction Costs ONLY</b>			
1	Pod removal; including asbestos		£ 10,315.84	£ 10,315.84
2	Bathroom construction		£ 34,650.00	£ 32,492.36
3	PCSA Fee	2.64%	£ 1,187.10	£ 1,130.14
4	OHP	7.75%	£ 3,484.85	£ 3,317.64
5	Post Contract Fee	1.54%	£ 692.47	£ 659.25
			£ 50,330.27	£ 47,915.22
6	Preliminaries Programme based on 80 weeks Programme based on 146 weeks		£ 11,468.30	£ 6,683.63
			£ 61,798.57	£ 54,598.86
7	Client Contingency	1.50%	£ 926.98	£ 818.98
			<b>£ 62,725.55</b>	<b>£ 55,417.84</b>
8	<b>HfH Decant Costs</b>			
	Resident decant costs			N/A
	Resident alternative accommodation			N/A
	Residents storage costs			N/A
	Property Security			N/A
	Leaseholder - loss of rental income?			N/A
			<b>£ 62,725.55</b>	<b>£ 55,417.84</b>

12.15 Leaseholders expressed their dissatisfaction to the Panel about the limited life span of the new pods as well as the inevitable maintenance upkeep costs and their concerns about the cladding. They questioned why the cost of the replacement pod was so high and expressed doubts that they represented value for money. The Panel felt that it was understandable that leaseholders would want the opportunity to explore what alternative options might offer in terms of cost, long-term sustainability and the effect on the value of their property.

12.16 In evidence to the Panel, the Leader of the Council, noted that there were 30 leaseholder properties that were shared with another leaseholder and where the two leaseholders were prepared to purchase the freehold and disenfranchise themselves from the process, the Council would seek to expedite this process to

ensure that the agreements can be reached between the two leaseholders and the Council, prior to any major works taking place. In response to the idea of providing greater choice to individual leaseholders he emphasised the benefit of carrying out these works at scale with around 200 pods to be replaced rather than doing this as part of smaller contracts which would cost more overall.

12.17 The Panel was concerned that alternative solutions had not been fully explored by the Council, and that there had been no formal process with leaseholders and tenants to co-design any alternatives. Panel members were not presented with any evidence that showed how any economies of scales had helped to reduce costs either to the Council or leaseholders. It was also noted that when the original pods had been installed in the 1970s, five residents had opted out having one but this was not a choice being offered to the leaseholders under the current major works programme. While the Panel acknowledged that economies of scale should be a relevant factor in carrying out the works, the estimated costs under the current proposals still appeared to be high and the Panel did not accept that there had been meaningful engagement with leaseholders over the likely costs involved in each of the alternative options. The alternative options were important to leaseholders, not just in terms of the estimated costs but also because of the layout and overall character of their home as well as the potential impact on the future mortgageability and value of their property. The Panel was not persuaded that the benefit of having the pod replacement completed in a day was a decisive factor in evaluating these options as the inconvenience of living temporarily in alternative accommodation may be outweighed by the long-term impact of the works for many leaseholders.

12.18 The Panel therefore took the view that the leaseholders should be provided with the opportunity to explore alternative options before a decision on the second phase of works is made. This should involve round-table discussion with the Leader of the Council and senior Council officers with all alternative options to the replacement pods given meaningful consideration including an evaluation of the costs, the impact on property value and the implications for leaseholders' future access to the mortgage market. In order to maintain confidence in the engagement process throughout the major works process and provide leaseholders with the opportunity to raise concerns and opinions, the Panel believed that the round-table discussions should be followed by the establishment of a Steering Committee to oversee and monitor the delivery of the major works.

12.19 In written evidence to the Panel, leaseholders requested that the additional works are removed from the programme so that the urgent focus could be placed on the issue of the pods. Leaseholders told the Panel that they had been assured that no unnecessary works would be carried out as had been reiterated by the Leader

of the Council in his evidence to the Panel.<sup>16</sup> However, this stance was not trusted by the leaseholders who told the Panel that they could not understand why the additional works had to happen at this specific time and inflating the costs imposed on them when the issue of the pods was the main priority. The Panel took the view that discussions with leaseholders, should include consideration of whether the additional major works are necessary in individual cases, based on independent surveys<sup>17</sup>, and removing them from the programme where appropriate.

**RECOMMENDATION 13** - That round-table discussions take place with the Leader of the Council, Council officers and the leaseholders where all alternative options for the replacement bathroom pods, as proposed by leaseholders, are on the table including full costings. This should include the consideration of permanent traditionally built extensions or the installation of internal bathrooms as alternatives to the modular pods.

**RECOMMENDATION 14** - That a timetable for the talks is agreed and published within 30 days of these recommendations being adopted.

**RECOMMENDATION 15** - That any formal decisions to proceed with any alterations to the affected properties should be deferred until such time as negotiations between the relevant parties have been concluded.

**RECOMMENDATION 16** - That the discussions between the Council and HfH and individual leaseholders over the specific requirements of their properties are included in these negotiations. This should include consideration of whether the additional major works are necessary in individual cases and removing them from the programme where appropriate.

**RECOMMENDATION 17** - That the formal round-table talks should be minuted and outcomes jointly agreed between the parties.

**RECOMMENDATION 18** - That where costs have escalated well beyond the estimates previously provided to leaseholders and through no fault of the leaseholders, then a compromise on costs should be reached through the above round-table discussions. Any revision of costs should take into account the financial circumstances of the leaseholder residents.

**RECOMMENDATION 19** - That a formally constituted Steering Committee, with representatives from tenants, leaseholders and the Council with joint representation, be established to oversee and monitor contract delivery. The Steering Committee should meet regularly as agreed throughout the course of the contract to receive

---

<sup>16</sup> See the comments by the Leader of the Council summarised in Paragraph 10.6.

<sup>17</sup> As specified in Recommendation 5.

ongoing reports from project managers and contractors in order to monitor delivery, compliance, timetable, budgeting and any other relevant matters.

### **13. Contracts and Procurement Oversight Committee**

- 13.1 The Panel considered that the evidence heard during the course of the Review had highlighted a number of procedural failures and areas where general good practice could be applied that could also be relevant in other future major works projects in the Borough. The Panel felt that improved oversight of procurement issues in the lead up to the delivery of major works projects could play a significant role in preventing similar circumstances to those considered by the Panel in this Review.
- 13.2 The Panel proposed that a new cross-party Contracts and Procurement Oversight Committee should be established to provide oversight and advice on future major works projects. This should include a strong emphasis on obtaining value for money and high quality for the Council, leaseholders and tenants. The Committee would be able to ensure that consultation between the Council and residents was genuine and meaningful and conducted to the highest standards. It would be able to examine and evaluate the benefits and any concerns relating to the use of the LCP major works framework, consider the contribution of major works projects to the Borough Plan's objectives on community wealth-building and consider how methods and principles of co-production could be adopted to improve the engagement and participation of residents in the development of major works proposals.

**RECOMMENDATION 20 - That a standing Contracts and Procurement Oversight Committee is established drawing on best practice from other authorities. The Cabinet should report back to OSC as to how this might be implemented ahead of the new municipal year in 2021/22.**