

Department of Community & Children's Services

Peta Caine
Assistant Director, Housing



Email: peta.caine@cityoflondon.gov.uk

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Dear Leaseholder,

Golden Lane Estate: Leaseholder Concerns Around Future Billing and Rechargeable Major Works

Further to my general resident update letter of 14 February 2025, I am writing to leaseholders specifically with an update on the Golden Lane Windows refurbishment project (now referred to as the Golden Lane Investment Programme) to provide some much-needed clarity on matters which have been outstanding for some time.

Firstly, we sincerely apologise for the significant delay in providing you with an update on the anticipated costs associated with the Golden Lane Estate projects and in particular, what could be considered 'betterment' as opposed to 'repair'. We fully appreciate this has been the subject of growing concern amongst Leaseholders on the estate as discussed in meetings with your GLERA representatives and Resident Liaison Group members.

Whilst we are not yet able to share fully updated cost estimates for leaseholders, we have sought legal advice on which elements of the proposed works are considered rechargeable and have outlined the advice received from our lawyers below as requested. We will use this advice as the basis of our discussions with leaseholders as we develop the project and have a better idea of the scope of works involved.

1. Works to be paid for by leaseholders

1.1 Window refurbishment works

In legal terms, the proposed window refurbishment works are not considered to be a significant alteration to the premises and are therefore considered to be 'repairs' rather than 'improvements'. The new windows will perform better in terms of thermal efficiency due to the new vacuum-sealed glazing, but this is simply in line with the modern requirements of Building Regulations and the anticipated 'Decent Homes 2' standard. The City's official position is that these works do not meet the legal definition of improvements and therefore will be considered rechargeable to leaseholders.

1.2 Roofs

The proposed replacement of roof coverings works is not considered to be a significant alteration to the premises and are therefore considered to be 'repairs' rather than 'improvements'. These works will therefore be considered rechargeable.

1.3 Ventilation requirements including builder's works

The proposed ventilation works are not considered to be a significant alteration to the premises and are therefore considered to be 'repairs' rather than 'improvements'. These are simply in line with the modern requirements of Building Regulations and the anticipated 'Decent Homes 2' standard. These works will therefore be considered rechargeable.

1.4 Electrical Upgrade Works

The proposed electrical upgrade works are considered to fall within the category of typical planned maintenance and relate to elements of the building, which have now exceeded their serviceable lifetime and need to be renewed. These works will therefore be considered rechargeable.

1.5 Communal Decorations and External Fabric Repairs

The proposed communal redecorations and external fabric repairs are considered to fall within the category of cyclical maintenance. These works will therefore be considered rechargeable.

2. Works that leaseholders will not be expected to pay for

2.1 Insulation of soffits

This involves the installation of new insulation to the soffits of identified buildings, where there was none previously. This would constitute an 'improvement' and would therefore not be considered rechargeable.

2.2 Fire Safety works

The Corporation made a formal commitment several years ago to directly fund the cost of both communal and flat entrance fire door installations across our housing stock. We remain true to our pledge and Leaseholders will not be charged for this element of work. Any other fire-safety related work within communal areas may be subject to recharge, but this will be confirmed in future written communication.

2.3 Decanting and all associated internal staffing costs

Further to extensive review by the project team, we are currently working to the assumption that the majority of residents will need to be decanted in a phased manner over a number of years to accommodate the window refurbishment works. The cost of decanting and all associated internal staffing costs directly linked to the decanting programme will not be considered rechargeable.

2.4 Heating upgrades from Gas to Electric because of boiler flues

A number of isolated cases have been identified (mainly in Crescent House) where existing gas boiler flues either pass through window glazing or are very close to existing opening windows (less than 30cm away).

In order to carry out the proposed window refurbishment works, the boilers in these properties will have to be decommissioned. Unfortunately, they cannot be reinstated because of changes in Gas Safe Regulations. Also, a new pane of vacuum glazing cannot accommodate a boiler flue passing through it.

We have given careful consideration to how we might address this issue and would like to present two possible options for further discussion with Leaseholders.

Our proposals are as follows:

- Option 1: Leaseholders to agree to the Corporation decommissioning and removing their existing boiler and Gas Central Heating system as part of the works. The existing system to then be replaced with an electric one at no cost to the Leaseholder. The specification of the system to be the same as that of the tenanted properties, to which we will have to undertake the same work.
- Option 2: Leaseholders to replace the boiler and Gas Central Heating system with an electric one of their own choice and specification and at their own cost. The Corporation to then calculate the cost of the electric heating system that would have otherwise been installed as part of the works (as detailed in Option 1) and apply this fixed amount as a credit against the Leaseholder's future major works bill, so in other words a discount.

If you are a Leaseholder affected by this specific issue, we will follow this up with a letter to you directly in due course. We are keen to engage with you at an early stage, to find out your initial thoughts on the two draft options currently under consideration.

3. Managing payment of your service charge

3.1 Discretionary Reduction of Service Charges by the City

Leaseholders can apply to the City as landlord under the *Social Landlords Discretionary Reduction of Service Charges (England) Directions 2014* ("the Directions").

The Directions allow the City as landlord to reduce or cancel service charges in certain circumstances, however there is no obligation on the City to apply any reduction or waiver to your service charges.

Further information on the Directions can be obtained by contacting the Home Ownership Team.

3.2 Repayment over 10 years under the terms of your lease

Leaseholders can apply to the City to repay a service charge over a ten-year period. This arrangement will attract interest and a small administration fee.

Further information on the option to repay over 10 years will be provided in separate correspondence from the Homeownership Team.

3.3 Applying for a service charge loan

Leaseholders can also apply to the City for a service charge loan under s.450B of *The Housing Act 1985* and *The Housing (Service Charge Loans) Regulations 1992 (SI 1992/1708)*. This arrangement will also attract interest and a small administration fee.

Further information on the option of a service charge loan will be provided in separate correspondence from the Home Ownership Team.

4. Other Issues

Finally, we are having regular meetings with GLERA to discuss a number of concerns that are being raised. Items currently under discussion include the following:

- Health and Safety / 'meanwhile' works which will not be recharged to leaseholders
- The reinstatement of the winter initiative where previously leaseholders were given the option to 'opt in and pay'
- The introduction of a 'buy back option which would be subject to the availability of funding and committee approval.

We are actively reviewing these, and other issues raised by GLERA and will update you further as discussions progress.

I understand this is a huge amount of information to share in one letter and know you may still have many concerns. Please know we are committed to engaging with and listening to Leaseholders on a frequent basis as part of our ongoing efforts to build trust with residents on the estate. We will be holding meetings and consultation events where you will have the opportunity to come and speak to members of the team.

Additionally, I will be holding fortnightly Estate surgeries. These are an opportunity for residents to come to talk to me and members of the team one-to-one or with others as happened at the first surgery which took place on Wednesday 19 March. Future sessions will take place on Wednesday 2, 16 & 30 April from 4-6pm in the Golden Lane Estate Office. Please do stop by if you think it would be useful for you.

Should you have any questions or concerns, please do not hesitate to contact the project team at info@goldenlaneprojects.co.uk or call 0800 772 0475.

Yours faithfully

Peta Caine

Assistant Director - Housing