

shared ownership background information.

We are 2 semi-detached 2 bedroom houses on an estate of 65 properties comprised of subsidised rents , privately owned and our 2 shared ownership. Each home pays an annual fee to an estate management company (Remus) of approximately £250 for the maintenance of the communal grassed areas, shared ownership pays via Pinnacle not directly to Remus.

#### Unit Fee Increase

A higher unit fee is a clear form of financial prejudice.

For [REDACTED], the unit fee increased from £121 to £437.97 when LGAH changed the management provider from Stonewater to Pinnacle without prior consultation.

However LGAH have accepted the financial prejudice this increase has caused and are paying £154.38 first year, second year they £77.19 and in the third year the full amount is paid by the shared owner. These are not including CPI increases.

#### Other Financial Prejudice

Service charge misscalculations.

The management fees do not take into account each development has differing needs re maintenance and services provided, for instance a development of flats/apartments will require admin fees for organising maintenance works to communal areas such as halls, stairways, lifts, external walls etc.. whereas a development of houses would have fewer communal areas and the householder is financially responsible for any building maintenance therefore the management fee is more likely to be covering enquiries re rent etc.. not organising maintenance. LGAH has a one size fits all scenario.

#### Alternative options arguments

##### Temporary Provider

LGAH can appoint a temporary management provider.

The dispensation process is intended to cover situations where consultation was not practical. This was not an urgent exercise that needed immediate rectification.

L&G Did not provide a list of management companies L&G had entered into contracts with. L&G made no attempt to try to consult to enable leaseholders to examine providers contracts and make observations.

There has been An annual increase of xx% for the 2024/5 management fee. Granting Dispensation would take away any control the leaseholders had to choose the most cost effective provider and potentially place a financial burden on the leaseholders now and in the future.

What would we have done different:

Would have made observations on the various management companies and made informed comments on the reputation, standard of services and fee charges made by each company. Leaseholders would have been able to name the preferred supplier from the management pool.

L&G had an obligation to present leaseholders with more than one provider and to consult on both the quality of service and the cost of the providers.

L&G did have alternative solutions - appoint a temporary agent while consulting with leaseholders or retain the existing provider throughout the consultation period.

We could have explored the Right to manage to evaluate if this would reduce costs.  
Are there any more alternatives?

If the dispensation is granted the above prejudices would be permanent. Leaseholders would have no say who manages the services for their estate and whether those services are to a standard and cost acceptable to the leaseholders. This could potentially lead to a financial burden leaseholders are unable to afford