

Statement for [REDACTED]

Representative - [REDACTED]

Representing - [REDACTED]

Legal and General Affordable Homes (L&GAH) have requested that the Tribunal dispense with the need to consult Leaseholders at the above development in respect of changes that they wish to make in relation to the Management provider that they have appointed or may appoint in the future.

A number of residents have made representation to the court objecting to this on the basis that would have enabled L&GAH to make changes to the management provider that have had a detrimental effect on all Leaseholders and result in all Leaseholders suffering prejudice.

As the representative for the development, The Judge has requested that I provide a statement that details how prejudice has occurred, what observations would have been made should consultation have been undertaken and if alternate suppliers could have been nominated.

This statement provides our summary of those instructions.

In February of 2024, all residents were made aware that the management provider was being changed from Stonewater to Pinnacle without consultation. After a complaint was raised the leaseholders were then informed that this would result in a significant increase in the management fee element of the service charge, from £121.19 per annum to £437.94 per annum (+ CPI increases). This is to be phased over 3 years and is currently capped at £283.60 whilst a service charge review is undertaken (which is yet to commence). This is already a substantial increase from the initial £121.19.

L&GAH have acknowledged that the change of management provider has already had a financial impact on all leaseholders as they are discounting the fee over a 3 year period and currently have it capped.

It is our understanding that the dispensation process is intended to cover situations where consultation was not practical. However given that there was already a management provider in place who is contracted with L&GAH we believe that this change in provider was not an urgent exercise that needed immediate rectification and that full consultation should have occurred.

As there was no consultation, as leaseholders we were not provided with a list of management companies that L&GAH had entered into contracts with and therefore L&GAH made no attempt to enable leaseholders to examine providers contracts and make observations, review costings, establish value for money, rate customer satisfaction and determine which provider would best fit the development. In addition it has also resulted in us losing the "Right to Manage" which collectively we would have liked to have considered.

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.

L&GAH has 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.

As leaseholders we 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 may have been able to name the preferred supplier from the management pool that L&GAH already have contracts with. However if none were suitable, we would have then requested that other companies who would best suit the needs of the development were considered through a tendering process.

In addition we would have also explored the Right to Manage to evaluate if this would reduce cost and increase customer satisfaction at the development.

Whilst the consultation was taking place, L&GAH did have alternative solutions. They could appoint a temporary agent while consulting with leaseholders or retain the existing provider throughout the consultation period.

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.