


**From:** Blair, Carla Carla.Blair@southwark.gov.uk   
**Subject:** RE: Pullen  
**Date:** 12 March 2024 at 12:01  
**To:** Ennin, Natasha Natasha.Ennin@southwark.gov.uk  
**Cc:** Turff, Louise Louise.Turff@southwark.gov.uk, Phillips, Cheryl Cheryl.Phillips@southwark.gov.uk, Wellbeloved, Trevor Trevor.Wellbeloved@southwark.gov.uk

---

Dear Cllr Ennin

Please find attached the responses to the questions raised by leaseholders at Pullens Estate. Responses from Homeownership Services are in red. Those from the Investment team are in blue.

Regards

**Carla Blair || Service Charge Construction Manager**  
**Pronoun – She/Her**

Exchequer, Finance & Governance || Southwark Council  
Postal address: Home ownership services, PO Box 71994, London, SE1P 5FW

[www.southwark.gov.uk/home-owners-services/contacting-us](http://www.southwark.gov.uk/home-owners-services/contacting-us)

If you'd like to know about our data protection policy and how we use your information, please visit:  
[www.southwark.gov.uk/Hoprivacynotice](http://www.southwark.gov.uk/Hoprivacynotice)

---

**From:** Ennin, Natasha <Natasha.Ennin@southwark.gov.uk>  
**Sent:** Monday, March 11, 2024 8:17 PM  
**To:** Turff, Louise <Louise.Turff@southwark.gov.uk>  
**Cc:** Blair, Carla <Carla.Blair@southwark.gov.uk>  
**Subject:** RE: Pullen

Dear Louise,

Thanks for getting back to me.

I'll wait for the joint response to be circulated hopefully this will be sent no later than tomorrow afternoon. Preferably, first thing in the morning.

Cheers

Kind regards

Cllr Natasha Ennin



**Cabinet Member for Community Safety**

Newington Ward  
Southwark Council

T: +44 7731996012

E: [Natasha.Ennin@southwark.gov.uk](mailto:Natasha.Ennin@southwark.gov.uk)

---

**From:** Turff, Louise <[Louise.Turff@southwark.gov.uk](mailto:Louise.Turff@southwark.gov.uk)>  
**Sent:** Monday, March 11, 2024 8:15 PM  
**To:** Ennin, Natasha <[Natasha.Ennin@southwark.gov.uk](mailto:Natasha.Ennin@southwark.gov.uk)>  
**Cc:** Blair, Carla <[Carla.Blair@southwark.gov.uk](mailto:Carla.Blair@southwark.gov.uk)>  
**Subject:** RE: Pullen

Dear Cllr Ennin

I understand from Carla that she and Cheryl Phillips are drafting a joint response to the leaseholders letter, which will incorporate much of the same information that I have provided below. However, you may wish to also forward on my e-mail.

Louise.

---

**From:** Ennin, Natasha <[Natasha.Ennin@southwark.gov.uk](mailto:Natasha.Ennin@southwark.gov.uk)>  
**Sent:** Sunday, March 10, 2024 10:02 AM  
**To:** Turff, Louise <[Louise.Turff@southwark.gov.uk](mailto:Louise.Turff@southwark.gov.uk)>  
**Cc:** Blair, Carla <[Carla.Blair@southwark.gov.uk](mailto:Carla.Blair@southwark.gov.uk)>  
**Subject:** RE: Pullen  
**Importance:** High

Dear Louise,

Thanks for the detailed response.

Firstly, I was very concerned by the lack of empathy facing our residents and distress caused by recent major works scandals. Secondly, my concerns as a ward Cllr was the delay in making the final bill available and the effects on leaseholders. The CofL crisis has disproportionately impacted leaseholders, especially when it comes to energy bills. Thirdly, ensuring that residents utilised Citizens Advice Southwark Homeownership services if they have mitigating circumstances. As residents have indicated they have some difficulty getting through to the service charge team on the phone. I fully appreciate that CA details are on the back of letters, nonetheless having been an advisor for over 9 years I have found a gentle reminder of independent impartial advice services if helpful.

I have contacted Citizens Advice to request posters and leaflets, so that they can be placed in local TRA halls and on their websites.

Please confirm if your response has been sent to Pullens leaseholders? If not, I will forward this email.

Thank you.

Kind regards

Cllr Natasha Ennin



**Cabinet Member for Community Safety**  
Newington Ward  
Southwark Council

T: +44 7731996012

E: [Natasha.Ennin@southwark.gov.uk](mailto:Natasha.Ennin@southwark.gov.uk)

---

**From:** Turff, Louise <[Louise.Turff@southwark.gov.uk](mailto:Louise.Turff@southwark.gov.uk)>  
**Sent:** Friday, March 8, 2024 8:24 PM  
**To:** Ennin, Natasha <[Natasha.Ennin@southwark.gov.uk](mailto:Natasha.Ennin@southwark.gov.uk)>  
**Cc:** Blair, Carla <[Carla.Blair@southwark.gov.uk](mailto:Carla.Blair@southwark.gov.uk)>  
**Subject:** RE: Pullen

Dear Cllr Ennin

I understand from my colleague, Carla Blair, that you have raised concerns about the repayment options being offered to the leaseholders of Pullens Estate with reference to the recent actualisation of their service charge for the Warm, Dry, Safe scheme carried out in 2016/17. I can see that the leaseholders have made a number of points in their letter to us, some of which relate to the payment requirements of the lease, and these queries contain some misunderstanding of the situation in regard to service charges, repayment options and retention periods. I thought it would be useful to me to set out the requirements of the lease, the policy decisions that the council has made in regard to payment options for major works and the usual practice with retention periods. I have also made some specific reference to the situation at Pullens Estate.

Firstly, with regard to service charges - there is no legislative or contractual difference between annual service charges and those for major works. The lease is specific about how the estimated service charge should be notified (before the start of the financial year), and paid (on the first day of each quarter). The estimate should reflect the anticipated expenditure on all repairs, maintenance and communal services to the block and estate over the course of

the financial year, and that includes any anticipated major works expenditure within the year. The lease requires the charge to be actualised as soon as practicable after the final costs are known, and any debit adjustment must be paid within one month of notification. There is no requirement under the lease to issue invoices – the lease supposes a single running account where new estimates are raised each year, and actualisations are added as a simple debit or credit when they take place. The council uses an invoiced based accounting system for administrative purposes, as it allows us to keep a complete record of the charges and payments related to each financial year. The council has one service charge account per leasehold property, and raises invoices for estimated and actual service charges for the property onto this account. There is no separate “general service charge account” for the annual service charges as alleged by the leaseholders of the Pullens Estate.

The council issues an annual notification of the individual estimated service charge before the start of each financial year, in accordance with the lease. This contains both the annual revenue (day to day) charges and any estimated major works costs due within the year. However, because the council is aware that leaseholders may well find it difficult to pay the higher service charge for major works in accordance with the lease we also issue separate invoices for the annual revenue service charge and for any service charge related to major works schemes. This has allowed the council to create a policy giving alternative payment options to leaseholders for service charges related to major works schemes, including the longer term interest free payment options to resident leaseholders. However, these options are clearly limited within the policy to the estimated charges for major works schemes only. The original policy was agreed by Council Executive in October 2004, and was updated by the Cabinet Member for Housing in 2011. At the request of the Leader a further report on extended interest free payment options was taken to Cllr Merrill’s Lead Member Briefing a year ago, but it was considered that the cost to the Housing Revenue Account of extending the periods further would be too detrimental. It must be remembered that as the HRA is a ring-fenced account, with the majority of the income coming via the rents and weekly service charges paid by secure tenants, any loss of income from the leaseholders (which includes the opportunity cost of the longer term interest free payment periods) is paid for by the tenants and it would be wholly inequitable to require the tenants to further subsidise those who own their properties. This is particularly true due to the extraordinary pressures on the HRA at this time.

There is no policy which allows longer term payment options to be given for debit actualisations of any kind, but it is standard practice to allow larger actualisation debits to be paid over the remaining months of the financial year. In exceptional circumstances for individual leaseholders the council may be able to offer alternative payment arrangements, but this would be subject to the leaseholder concerned completing an income and expenditure form so that an appropriate arrangement can be made. We cannot simply offer an alternative payment arrangement to all of the leaseholders on an estate en masse.

The individual actual service charges for the Pullens Estate Warm, Dry, Safe scheme were notified to the leaseholders in March 2023, before any adjustment was made to the accounts. The estimated invoices were actualised several

months later, after all queries raised by leaseholders were responded to and any necessary adjustments having been made to the final account. While all leaseholders should have settled their actualised invoice within one month of receipt, the council did allow payment to be spread over the rest of the financial year, and has extended this option to June 2024. This means that in effect the leaseholders will have had fifteen months from being informed of their individual charge to put aside monies and make payment. In addition the leaseholders have received an annual notice under s20b of the Landlord and Tenant Act 1985, which has provided the council's total spend on the contract and confirmed that the final service charge is still to be issued. The s20b notice contains the initial estimate of the scheme cost plus the latest current spend – so the leaseholders of Pullens Estate had previously been informed that the final costs were going to be higher, although it is not possible to give an indication of the individual service charge before the final account has been produced. The last s20b notice to be served on the leaseholders of Pullens Estate was in July 2022, and showed an increase in the scheme expenditure of just over 8%.

I have provided a table below showing the range of the actualised costs, along with the range of payments spread over 15 months. As you can see the majority of the debit adjustments are below £2,000, with a maximum monthly payment over 15 months of £130.49. 40 leaseholders received actualised invoices of between £2,001 and £3,000, with a maximum monthly payment of £194.78 over fifteen months. These are not unreasonable amounts.

Invoice amount	15 month payment	No invoices	%age of total
-£175.51		19	10.67%
£1 to £1,000	£5.40 to £66.09	31	17.42%
£1,001 to £2,000	£68.36 to £130.49	57	32.02%
£2,001 to £3,000	£148.73 to £194.78	40	22.47%
£3,001 to £4,000	£203.03 to £237.30	18	10.11%
£4,204.08	£280.27	13	7.30%

I note the concern that some leaseholders who have purchased on the open market since the work took place may have lost retentions that were agreed when the properties were sold. The council does not get involved in arranging for retention sums. The service charge account runs with the property, so any new leaseholder will take on all liabilities of the service charge account – including any debits or credits for future service charge actualisations. This is made clear in the pre-assignment pack issued to the seller's solicitor. When a retention sum is agreed with a timescale attached the purchasers solicitor will normally check with the council on the status of the service charge before agreeing to release the sum. If the final account has not been received by Homeownership Services then the solicitor can arrange for the retention period to be extended. If the final account has been received then Homeownership Services will normally be able to advise a time period for the actual service charges to be produced, and again the retention period can be extended. It would be prudent for the leaseholders to approach their solicitors with their actual invoices to confirm whether or not the retention sums are still in place, and if not ask their solicitors what checks were carried out before the retentions

and if not ask their solicitors what checks were carried out before the retentions were released and why there were no negotiations with the vendors solicitors to extend the period.

I can see that the leaseholders believe that newer purchasers will have to pay the actual adjustments without receiving benefit from the scheme. This is untrue – cyclical repairs and decorations are of benefit to the current leaseholder whether or not they were the owner at the time of the scheme itself. The cost of such cyclical repairs has a limited effect on the market value of the property, so a leaseholder who sells at the time work is taking place or soon after completion does not really benefit from the work, especially if they are paying the full service charge, while the incoming leaseholder has the benefit of larger scale maintenance having taken place.

I hope that the above has clarified the situation in regard to the contractual requirements of the lease, the repayment options policy that has been agreed by the council and the management of retention periods

**Louise Turff || Head of Homeownership Services**  
(Pronoun: She/her)

Customer and Exchequer Services, Finance & Governance || Southwark Council  
Postal address: Home ownership services, PO Box 71994, London, SE1P 5FW  
Telephone: 020 7525 57558

If you need to contact Homeownership Services or the Garage Team please go to:  
[www.southwark.gov.uk/home-owners-services/contacting-us](http://www.southwark.gov.uk/home-owners-services/contacting-us)

If you'd like to know about our data protection policy and how we use your information, please visit:  
[www.southwark.gov.uk/Hoprivacynotice](http://www.southwark.gov.uk/Hoprivacynotice)



[www.southwark.gov.uk/mysouthwark](http://www.southwark.gov.uk/mysouthwark)  
For council services at your fingertips, register online

Pullens TRA Leaseholder  
Questions RE 2016-17 Major...



Pullens feasibility.pdf



Pullens Estate Chimneys.docx



Pullens chronology - defects to  
final account.pdf



