**Nobel House Residents Q&As 16.08.21**

Below are the weekly questions on the Nobel House cladding issue. Notes from Raven or 4QM are in italics.

**Questions for Y&Y**

(General)

Q1: The ACM needs to be taken off urgently. From what I understand from your email to Jonathan you wish to wait for confirmation of grant funding before acting. Considering Joe Murphy’s emphasis on the need for swift action, and the obvious risk to life, have you received confirmation from the funder that we need to wait? It seems more likely from what he said in his email that the position would be that you are required to take action now and then the funder to fund us retrospectively? Please can you confirm what the funder has said?

A: We are aware the ACM needs to be removed as a priority. The issue is we want to ensure that the funds are in place. We have been in touch with the MHCLG, latest email was sent earlier today (10th August) requesting how we can move this ahead. I am aware that since we have all the specifications in place and are ready to begin on works, it will hopefully be a lot more straight forward. Mr Murphy was copied in to the correspondence and is aware of the current position. Again to be clear, we would like our request for funding to be accepted before proceeding with the works to save leaseholders having to fund the works.

Q2: The cost of the works as quoted has risen from £6m to £14m. To what extent do you believe this to be due to cost increases over time with the increasing pressure on the market and shortage of suppliers/contractors now that the first tranche of BSF works are underway, and whether this is therefore likely to continue to increase?

A: We cannot comment on costs rising. We are aware that costs for cladding are exorbitantly high. I am aware however that the BSF will investigate all costs to ensure they are not overpriced before providing funding.

Q3: Have Y&Y instructed Capital about remediation of the ACM situation as per Joe Murphy's email from MHCLG on 23 July?

A: Capital have included in the works schedule the removal of the ACM. This is all included in the renumeration works.

Q4: Have Y&Y sent the results of the ACM tests to Capital?

A: Yes. We have done so.

Q5: Have Y&Y instructed Capital to revise the schedule to replace ACM before anything else?

A: We have not yet as we are awaiting confirmation on  the status of the MHCLG (government) funding before incurring any further costs. We feel it is not feasible for leaseholders to make further payments for works at this stage and therefore would like to have the funding in place prior. If 4Qm feel that this is not the case, please do advise and we can move ahead right away.

*Raven clarification: We are seeking information from MHCLG about the expectations and best way to proceed before asking 4QM to issue instructions. Aaron was invited to meet with the funders but is about to go off on two weeks’ leave. Due to the urgency of this, 4QM has offered to meet with them in Aaron’s absence and is currently trying to arrange a meeting for the earliest possible time. Aaron also provided us with a contact for a substitute and holiday cover.*

Q6: Have Y&Y instructed the LA about the ACM situation as per Joe Murphy's email from MHCLG on 23 July?

A: Yes. 4QM were copied into the correspondence.

**Invoicing of leaseholders**

Q7: Please confirm leaseholders will not be billed for ACM remediation since the government funder made very clear in an email on 13.8.21 that payment of costs is either “through up-front funding from the building owner or MA which is then reimbursed via the funding, or through pre-tender support to facilitate the early stages of the project – leaseholders should not be bearing the costs.”

A: The aim to ensure that leaseholders do not need to pay out at all, even in advance for the ACM remedial works. This is why we are pursuing the funding before carrying out any further works.

Q8: Have leaseholders now been invoiced for all the pre-Contract costs (except WW) that need paying before BSF funding is secured? If not, please advise.

A: All invoices have been sent out and I am aware that 4QM have given the go ahead to leaseholders on making these payments which are now coming in.

*Raven clarification: We are awaiting the final two invoices from Y&Y. We caveated payment of those we did receive as follows. “I am authorising payment of these to facilitate payment to the contractors, it is not an acceptance of liability for these costs and Raven will consider its position as to whether or not these charges should be formally disputed in due course.”*

**Payment of contractors**

*Raven clarification: Y&Y have not yet paid the cladding, waking watch and fire alarm suppliers and payments to the cladding consultant/contractor are already two weeks overdue. However, on Friday 13th August Aaron did confirm that Lawtech would be paid Monday (16th August) and that payment for the remaining suppliers would be made by Friday (20th August). We have left in the questions below however as they give useful context to how payments will be handled for the future.*

Q9: We note that payment to all the cladding-related contractors has been delayed, and is over 2 weeks late for Capital and Lawtech.  It is not the fault of the suppliers or the leaseholders that you failed to issue invoices against estimates in advance of work, so clearly you need to pay now upfront. If Y&Y cannot afford this, then you did assure us previously that Avon was in a position to forward fund. It is not reasonable to charge interest as the delay in collection is due to your failure to issue timely estimates, and the rate that you propose (4%) is unreasonable in any case given the current market and that Avon would be able to borrow against property even if they did not have the reserves that you assured us would be available.

A: Y&Y issued invoices as instructed by 4QM, our clients. This was delayed on their end asking leaseholders to hold off on funds which were signed off in the first place. We carry out what is required by our client. We can confirm that payment will be made to Capital by the end of this week and Lawtech will be paid Monday (16th August).

*4QM clarification: 4QM would like to clarify that we do not get involved in invoicing decisions as this is Y&Y’s responsibility and we’re in no way responsible for a delay in sending out invoices. Many invoices, though dated 15th July, weren't received until a week or more later. Only once the invoices were received, did we simply ask Y&Y for clarification of what was being invoiced. Any forward-funding has to come from Avon as building owner. We pressed to ensure that suppliers were paid on time.*

Q10: Capital and Lawtech should have been paid by now. Has this been done? See (7) below.  N.B. 4QM have advised all 4QM owners by email and Facebook to pay promptly to enable Y&Y to have funds to pay contractors but I understand some leaseholders have still not received invoices.

A: Funds have not been paid out yet. The service charge has not had enough funds to pay out. I am aware this week a payment will be made to settle the costs for one of the two invoices due. We will make the remainder payment to capital in the next 10-14 days. If needed at this stage a loan will be requested from the freeholder.

Q11: Government advice is for Freeholders to pay contractors in a timely manner before charging leaseholders, to ensure leaseholders are not left paying the bills.   
Please confirm Avon Ground Rents (London) Ltd. will take responsibility for paying contractors bills before being reimbursed via the service charge(s), as is normal.

A: As above. The freeholder will be asked to provide a loan for the remainder of the costs due.

Q12: What's happening about the balance of Lawtech pre-Contract costs?  Can we assume this will now be paid by the BSF once funds are approved?

A: All costs for Lawtech and Capital are being paid out. These are the amounts that were billed out as part of the core construction works.