

Barking & Dagenham

The Rt Hon Michael Gove MP
Secretary of State
Department for Levelling Up, Housing and
Communities
2 Marsham Street
London
SW1P 4DF

Councillor Darren Rodwell
Leadership Office
Barking Town Hall
1 Town Square
Barking, Essex
IG11 7LU

E: darren.rodwell@lbbd.gov.uk

24 November 2021

Dear Michael,

I am writing on behalf of residents of Caspian Quarter in Barking, who recently received updated service charge estimates for August 2021 to July 2022.

Our residents are being asked to pay significantly more in service charges and have been told they will continue for at least the next three years. Estimates shared with me show they face increases of over 150% - from around £1,200 a year to £3,200 a year.

This increase is driven by a huge increase in the provision for Major Works – from £57,000 for the whole of Caspian Quarter last year to £559,130 this year. This is a staggering increase of nearly 900%. This is simply unacceptable.

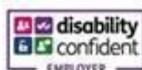
I understand this increase is because the leaseholders are expected to pay for balcony remediation works themselves. The total cost that leaseholders collectively are expected to pay for the balcony works is over £1m, so they will be asked to pay a similar amount towards major works next year.

The standard service charge for residents of Caspian Quarter has gone up by an average of 44%. This has been driven by insurance premiums increasing by 147%, as well as several maintenance items where costs have more than doubled.

These cost increases are almost all due to issues with the original construction of the building, none of which are the fault of the residents who live there and all of which should have been prevented using proper materials. They are now facing eye-watering increases in their service charges for several years. This comes at a time when household finances have been hit by the pandemic, as well as the increased cost of living.

Meanwhile, the builder of these properties – Bellway – has posted a pre-tax profit of £479 million, up from £237 million 6 months ago. Your company is also aiming for

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further pre-tax profits of £1.2 billion for the next two years. My borough supports business, but not when it comes literally out of the pocket of our residents.

I am again calling on Bellway to fund the costs of the remediation works (and associated costs) to fix the problems that are caused by the way the buildings were constructed and have written to them along these lines.

Can you lend the weight of the government behind our demands? We cannot continue to leave leaseholders to the mercy of under-regulated, over-inflated companies.

I hope the government will support the council and our residents on this and change the law to stop companies from putting profits before people.

Yours sincerely,



Councillor Darren Rodwell
Leader of the Council

cc Rt Hon Dame Margaret Hodge MP