

**The City Surveyor**  
Paul Wilkinson



To the Long Leaseholder

**Telephone**

**Email** [rachel.scott@cityoflondon.gov.uk](mailto:rachel.scott@cityoflondon.gov.uk)

**Date** 28 April 2022

Dear Leaseholder

**Re: Flat 1, 38 Alfred Place**

**Notice of intention to enter into long term agreement for facilities management services and notice of the City's intention to apply to the First-tier Tribunal (Property Chamber) to dispense with relevant consultation provisions**

**Pursuant to Section 20 of the Landlord and Tenant Act 1985 (as amended) ('the Act') and the Service Charges (Consultation Requirements) (England) Regulations 2003 ('the Regulations')**

The City of London Corporation ('the City'), as your landlord, proposes to enter into a qualifying long-term agreement as defined in the Act. This could result in you having to pay a service charge in accordance with terms of your lease.

The City is intending to go out to tender for the supply of facilities management services to its Investment Property Portfolio, which includes residential flats.

The current agreements for facilities management are due to expire on 30<sup>th</sup> March 2023.

An agreement entered into by or on behalf of the City for a term of more than twelve months which results in costs to any leaseholder of more than £100 per year is subject to the consultation provisions of Section 20 of the Act.

It is the City's intention to enter into a new agreement: provision of facilities management services. The proposed agreement will last for more than twelve months, and it is expected that the charge for some flats will be more than £100 per year under the proposed agreement.

#### Obtaining the best prices for residents

We are proposing to invite suppliers to bid to be shortlisted on a four-year Framework Agreement for the provision of facilities management services, with the Framework Agreement to commence 1 July 2022.

The Framework Agreement will be divided into six Lots reflecting property groups: the Lot relevant to this Notice is Lot 2 - Commercial Property.

Following award of the Framework Agreement, a further mini-competition exercise will then be conducted, amongst the shortlisted Lot 2 Framework contractors, for provision of integrated facilities management services to the City's Commercial Properties (including residential flats), pursuant to the terms of the Framework Agreement. This will include evaluation of submissions on the basis of quality and price (most economically advantageous).

On completion of the mini-competition, the City intends to enter a Call-Off Agreement with the successful (best value) contractor for the provision of facilities management services to the City's Commercial Property Group property portfolio, including the property referred to above.

### Our proposals

By dividing property groups into six Lots which reflect the customer and clients' requirements, tailored service delivery models can be delivered in an integrated manner to provide FM services with differing objectives and drivers based on clients' needs and contract specifications which are adapted to meet these differing and unique requirements.

Suppliers will be able to submit proposals to be shortlisted for Lots without restriction (i.e. suppliers can propose to be shortlisted for all six Lots). However, to be shortlisted to Lot 2 suppliers will need to demonstrate their skill and experience in delivering services relevant to properties in a commercial setting.

The Call-Off Agreement will arise out of a mini-competition among the shortlisted suppliers. Pricing will be requested and evaluated during mini competition on the basis of fixed prices and schedules of rates for forecasted demand, as applicable.

The proposed Call-Off Agreement will be an agreement:

- (i) entered into by the City as Landlord; and
- (ii) for a term of more than twelve months; and
- (ii) under which relevant costs in any accounting period will exceed an amount which results in the relevant contribution of tenants, in respect of that period, being more than £100.

The proposed Call-Off Agreement is properly characterised as a Qualifying Long Term Agreement to which section the Act and the Regulations apply.

The City considers it necessary to enter in this proposed Call-Off Agreement to provide facilities management services to its residential housing stock within the Investment Property Group property portfolio.

### Leaseholder consultation

Unfortunately, the City's proposed procurement strategy means that the City will not be able to full comply with the statutory requirements to consult long leaseholders before entering into the Call-Off Agreement.

This is because the proposed procurement strategy does not accord with Schedule 2 of the Service Charges (Consultation Requirements) (England) Regulations 2003.

Normally, a Notice under Schedule 2 of the Regulations would advise leaseholders that they are not being invited to nominate a contractor, because “public notice” of the relevant matters (the proposed services”) is to be given.

Under the proposed procurement strategy (a Framework Agreement followed by a Call-Off Contract) the City has already given public Notice in relation to the *Framework Agreement only*.

However, no public notice of the Call-Off Contract will be given.

And it is the Call-Off Contract under which costs for facilities management will be incurred, and under which the City must therefore consult.

To remedy the defects in the consultation procedure, the City will be applying later this year to the First-tier Tribunal (Property) Chamber, asking the Tribunal to dispense with the relevant leaseholder consultation requirements.

Ahead of that application, you are invited to make written observations regarding the proposed procurement strategy generally and the proposed Call-Off Agreement specifically.

If you wish to do this, however, you must submit your observations to this office in writing to be received within 35 days beginning with the date of this letter.

Any observations received because of this first stage consultation will be fully considered and included with the Tribunal application.

The final date for the receipt of any observations is 3rd June 2022. Please send your written observations to:

Christina Paraskevaidou  
Category Officer  
City of London  
Po Box 270  
Guildhall  
London  
EC2V 7HH

If you would like to receive this Notice in an alternative format such as large print, Braille or audio tape, please contact the address above for further assistance.

Yours faithfully



**Rachel Scott**  
Senior Surveyor  
City Surveyor's