



# Network Homes

## Safety in your building

1 April 2021

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Dear residents,

### Update to all residents following individual requests

I hope this finds you and your friends and family in good health as we finally start to emerge from lockdown. I know a number of you have been in contact with us individually with questions about what is happening at your development. We have had a similar dialogue with other residents and the purpose of this letter is to ensure all of our residents are equally informed.

### Current position

Before responding on the specific points that were raised by this group of residents there are a few general points that I wanted to make.

Firstly, I do sympathise with the position you are in through no fault of your own. The cause of this was a systemic failure of the Building Regulations that affects multiple buildings across the country. I hope our previous email and webinars have given you some confidence that we are committed to working with you in a collaborative way and to resolve the situation as soon as possible.

Secondly, responding to all residents in this way is helpful and allows us to give out a consistent message to all residents. To take this forward, we would be happy to help you to set up a Residents' Association (RA), if that is a route you want to go down. You can get further info on RAs here: <https://www.networkhomes.org.uk/your-home/building-fire-safety-and-cladding/resources-for-residents/>.

### Our responses to questions

Turning now to the specific questions that we have responded to:

**1: Clearly it is important to us to understand, at the earliest opportunity, what remedial work is and is not covered by the fund and we look forward to that information as soon as possible?**

The Building Safety Fund covers the design defects in the external wall construction, essentially the replacement of the Kingspan insulation, behind the cladding, with a non-combustible material. If you are following the Grenfell enquiry you will be aware that the issue with Kingspan insulation has only recently come to light. The Fund does not cover work to balconies and fire doors. We don't believe work is required to the balconies on your building and we'll investigate the fire doors in due course.

The Building Safety Fund does not cover the costs of any Interim Fire Precautions, however there are no such precautions in place on your development.

**2: We would like to understand whether you have taken Counsel's opinion generally on Negligence as it relates to cladding issues across your portfolio? Or whether you have taken specific opinion in relation to our building and the particulars as they relate to the contractor and their services in relation to this building?**

The Opinion we have relates to another development, however the law and legal issues are very

### A summary of this letter

We're continuing to work on your behalf to reach an agreement with the contractor. Until we reach an outcome, we will not take a decision on legal action.

We have already received notification that our application to the government's Building Safety Fund has been approved.

We're aiming to hold a webinar with you in late April and will write separately when we have a confirmed date.

similar. At the moment we are still having productive discussions with the contractor and therefore seeking Counsel's Opinion is premature.

**3: We would like to understand if you have taken specialist advice on the actual Design and Build Construction Contract as it relates to both direct and consequential losses? Again, as leaseholders we are struggling to understand why Waking Watch costs (initially instigated as a direct result of the fire investigation) are not a direct loss, as the costs were incurred as a result of the contractors failures in the provision of their services.**

We have taken legal advice from our lawyers Winckworth Sherwood, a leading practice of London solicitors, who are experienced in this type of matter. As I have stated above, we are having productive discussions with the contractor.

**4: Please advise us what specialist external legal advice you have taken on the contract?**

See my answer to the previous question.

**5: On that basis, we would respectfully request that before any final agreement is concluded with the contractor that the building safety team revert to the leaseholders with an update and to consider our comments. Can you confirm this is an approach you will consider? We do understand that there is no legal obligation for you to do so but as we have no privity of contract but may still face liabilities over which we have little control or bear no responsibility we do not think it is an unreasonable request. To be clear, we are not suggesting a veto but an open dialogue on a decision that may potentially have significant financial consequences for innocent parties.**

Before I answer your question, I feel I should explain that Network is in a similar position to our residents on this point. By that I mean we have a financial stake in any agreement that is reached with the contractor. There is always a fine judgement between reaching a settlement, which may include an element of compromise, versus litigation, which carries significant risks and will cost a considerable amount of money. We are happy to share our proposals when discussions with the contractor are more advanced.

**6: Is it still NH's Intention, if negotiations with the contractor are not concluded in a satisfactory manner, to make a formal legal claim against the building contractor as you have previously stated was your intention?**

The answer to question 5 also answers this point. We will take a decision on what action to take when we know the outcome of the current discussions with the contractor.

**7: Can you please advise us what the process is now that samples have been taken and what the likely timescales are to resolve this specific issue?**

Where it is behind cladding, the Kingspan insulation will be replaced. Our Fire Engineer has still to determine if any work is required to the brickwork. There is further government guidance expected on brickwork and our Fire Engineer will follow that when it is published.

I hope this email, and our performance to date, has demonstrated that our team is doing all it can to maximise recovery from third parties. However, it would be wrong not to alert you to potential costs that may arise under your lease.

We will be in touch separately with an invitation to a resident webinar where you will be able to ask us questions. We expect this to be in late April. If you have any further questions not relating to service charges, please get in touch with us on [customerservice@networkhomes.org.uk](mailto:customerservice@networkhomes.org.uk). If you have any further questions on your service charge estimates please contact our Leasehold Team at [leasehold.services@networkhomes.org.uk](mailto:leasehold.services@networkhomes.org.uk) or call the contact centre. Please allow up to 21 days for a response due to the current workload.

Kind regards

Raj Gandecha  
Head of Resident Management (Building Safety)