



Network Homes

Safety in your building

16 September 2020

Rainbow House,
Water Lane,
Watford,
WD17 2AP

Dear leaseholders,

Government Building Safety Fund – we've submitted our application

At the beginning of August, the government released the criteria of which buildings were eligible for the £1bn Building Safety Fund they announced in March 2020.

Since then we have been working hard on your behalf putting together the comprehensive application for your building, covering our remediation plan and costs for the project – the sum of the project is £2.7m.

This fund is 'first come, first served' so it's important that we act quickly to put ourselves in the best position. We're pleased to say that we have submitted our application for Rainbow House to the Ministry of Housing, Communities and Local Government.

What does this mean for you?

We expect to hear back from the Ministry in about a month on whether our application has been successful. We feel positive that we will receive funding for Rainbow House, but we are not able to make any guarantees.

To be clear, **the application has not been approved yet**, but we thought you would be keen to know that we had submitted it and to expect further communications from us.

State aid forms – do you need to fill one out?

In order for us to access the Building Safety Fund, you will need to review the attached document, called the "State Aid de minimis declaration". Certain leaseholders must sign and return this declaration to us to be able to have some or all of their service charge contribution for the cladding works covered by the Fund.

Not all leaseholders will need to fill this declaration in, but you must read it carefully before deciding whether it applies to you or not.

As explained in the State aid Guidance for Leaseholders, residential leaseholders who own a property in the building which they occupy as their home (and do not rent it out) do not need to complete, sign and return a State aid Declaration. Only leaseholders who are 'Undertakings' should complete and sign the State Aid declaration, and return it to us at customerservice@networkhomes.org.uk.

The Hive
22 Wembley Park Boulevard
Wembley
HA9 0HP

www.networkhomes.org.uk

customerservice@
networkhomes.org.uk
0300 373 3000

A summary of this letter

We've submitted the application for the remediation work at Rainbow House to the government's £1bn Building Safety Fund.

This does not guarantee that the government will approve the application.

Even if we're successful, the fund does not cover every cost incurred at Rainbow House.

You need to fill out a state aid form if you 'use your property for financial gain'. We are unable to do this on your behalf so please spend some time going over the documents to ensure you understand if you need to fill it out.

We'll let you know the outcome when we hear back from the government – we expect it will take them about a month.

Whatever the outcome, we'll hold a webinar where we'll go through the next steps and you'll be able to ask us any questions you may have.

A leaseholder will be an Undertaking where they use their property for financial gain - for example letting it out or using it for their own business purposes. This includes:

- Leaseholders who are incorporated
- Leaseholders who own more than two properties (in any building) unless they are for non-commercial use
- Leaseholders who let out any property (residential or commercial) in the building for financial gain.

Leaseholders that are also undertakings should note that the following will apply to funds received from the Fund to cover their service charge contribution:

- There is a limit on the amount of service charge they can be relieved of in respect of these works. That is the €200,000 maximum de minimis allowance permitted under the de minimis State Aid rules, which is calculated taking account of any other State Aid received by that leaseholder over the current and two previous financial years.
- If that limit were to be exceeded, or the State aid rules are not otherwise complied with, those leaseholders will be at risk of having to pay back this money with interest.
- Where a part of the de minimis allowance has been received, this must be declared but the leaseholder will be permitted to take advantage of any unused part of the allowance.

Please return the completed form to us as soon as possible, if you come under the category of an 'undertaking'. We are unable to fill this form out on your behalf so please ensure you dedicate time to understanding if state aid rules apply to you.

If the building safety fund application is approved:

- The costs for the **eligible parts of your building work** will be paid for by the government, meaning we will not have to pass these costs on to you. At Rainbow House, this includes:
 - Installing new cavity barriers where missing and replacing defective cavity barriers behind cladding (construction methods that stop fire spreading between floors or between flats)
 - Option being considered is removal and replacement of insulation and balcony materials with non-combustible alternatives if this is deemed necessary
 - Replacing the insulated render external wall system
 - Professional fees such as legal, project management etc.
- We will write to you and let you know when you can expect the remediation project to start.
- Once the remediation work is complete, we will be able to supply you with an EWS1 form that you need if you would like to sell your home.
- We will also write to you when we have more information about other costs which may be incurred by you through your service charge. We'll carry this out through the statutory section 20 process. This might relate to:
 - Waking watch
 - Alarm system
 - Other costs.
- Network Homes will be covering the cost of the tenants share of the project, as the government fund is only for leaseholder/shared owner costs.

If the building safety fund application is not approved:

- We will write to you and let you know the application has been rejected by the government.
- We will outline what the options may be going forward.
- We will continue to work on your behalf to resolve this situation.
- We may still be able to give you information on a start date for the remediation project.

What happens after that?

When we let you know the outcome of the application, we will organise a date for a webinar. This will allow us to go through the next steps, explain the outcome of the government's decision and give you the opportunity to ask any questions you may have.

I appreciate that since we initially wrote to you that there were problems in your building, this has been a stressful time for you. I hope this gives you some reassurance that we are working extremely hard on your behalf to try and resolve this situation.

If you have any questions in the meantime, please get in touch with us at **0300 373 3000** or customerservice@networkhomes.org.uk.

Kind regards

Suraj Shah
Head of Technical (Building Safety)

**LEASEHOLDER STATE AID DE MINIMIS DECLARATION
RAINBOW HOUSE, WATER LANE, WATFORD, WD17 2AP (THE "BUILDING") – BUILDING
SAFETY FUND**

**YOU SHOULD READ THE STATE AID GUIDANCE¹ BEFORE COMPLETING THIS DECLARATION.
IT EXPLAINS IN DETAIL HOW TO DECIDE WHETHER YOU NEED TO FILL IN A DECLARATION
OR NOT AND THE IMPORTANCE OF THIS DECLARATION**

Please note that if you are an owner-occupier of a single flat you **do not need** to sign and return this declaration.

If you are an Undertaking² you must return the original signed declaration to the responsible entity for your building (the organisation which provided you with the State Aid declaration). You need only complete one declaration for this building, even if you own more than one flat in the building or occupy more than one commercial premises.

Your Details (the "Leaseholder"):

First Name:	
Middle name(s):	
Surname:	
Address:	

Address of flat or flats you own or the commercial premises you occupy in the building (the "Property"):

Address	
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Your Status

Are you the sole leaseholder?	Yes / No
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If you are NOT the sole leaseholder, please ensure any co-leaseholder also provides a separate declaration for this Property.

PART 1

¹ The guidance can be found here: <https://www.gov.uk/guidance/remediation-of-non-acm-buildings#state-aid-guidance-and-declaration>

² An Undertaking in the context of the Building Safety Fund is any leaseholder using their property for business or investment purposes, for example letting out a flat or using commercial property as business premises

About the Leaseholder

I confirm that the Leaseholder is an Undertaking	Yes / No
Does the leaseholder form part of a single Undertaking with any linked enterprises? Please refer to the State Aid Guidance Note for an explanation of what this is.	Yes / No If the answer is yes, please set out the name of each of them in this box:
Has the Leaseholder (or any of the Leaseholder's linked enterprises) received any de minimis State Aid during the current and previous two fiscal years? The guidance explains what de minimis State Aid is. If no , please go to Part 3 and sign and date the declaration there. If yes , please continue and also answer Parts 2 and 3.	YES / NO

PART 2

Who provided the de minimis Aid	Date de minimis Aid granted	Total amount of de minimis Aid (in GBP as you were notified at the time)	Give the name of the person or business which benefitted from the de minimis Aid
		£	
		£	

PART 3

I confirm all answers given in this declaration are complete and correct.

I confirm that I understand that the Leaseholder (and any linked enterprises) can only receive de minimis State Aid up to the total value of €200,000 over this and the previous two fiscal years from any source.

I therefore agree that if the Leaseholder (and/or any of the linked enterprises identified above) receives any State Aid which is unlawful including funding for an amount which would cause it to exceed the €200,000 State Aid de minimis threshold the Leaseholder must to repay the amount of the State Aid together with interest from the date the Leaseholder receives it until the date it is repaid.

I confirm I will keep a copy of this declaration and any other documentation relating to State Aid under the terms of the Building Safety Fund for at least 3 years following the date of grant. I understand I am obliged to produce it on request by the UK public authorities or the European Commission.

Full name	
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Signature ³	
For and on behalf of ⁴	
Position	
Date	
Address	

³ MHCLG will accept an electronic form of signature, either by scanning and sending a PDF of a signed hard copy or by applying your preferred form of electronic signature (for example a manuscript version of your name, initials or other unique mark of your choosing).

⁴ If signing on behalf of a business you are confirming that you are authorised to sign this declaration on behalf of that business.