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HML PM Ltd
Gillingham House
38-44 Gillingham Street
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13 May 2022 - **Sent by Recorded Delivery**

Dear Sirs,

Ref: your s.20 Internal Refurbishment Mitre House SW3 Notice dated 13 April 2022

Notice also to MHMC(2017) Ltd COMPANY SECRETARY B-Hive Company Secretarial Services Ltd

If HML or Company Secretary, on behalf of its client and in its capacity as Company Secretary ignore the references below and still attempt to progress an s.20 Internals schedule as proposed to date for £190,706, both HML and your client will be in breach of multiple irregularities all of which have serious consequences in both UK law and L&T Act 1985 regulations.

Please accept this as my formal response as requested be made by [disputed] 16th May 2022

My email dated 12 May references:

Dear Tim - In the continuing ABSENCE of the requested extended deadline which the following repeated queries evidence as urgently needing, PLEASE NOTE, namely;

In accordance with the present {invalid..?} 16th May deadline regarding comments and observations on the {invalid..?} revised Statement of Estimates dated 13 April 2022, please consider and note my objections to your proposed s.20 Internals as listed below;

- a) your client has neither requested nor received Freeholder nor shareholders' consent to breach Head Lease covenants by attempting to progress internals and ignore overdue externals.
- b) your client has ignored a majority shareholders' vote to only progress internals and externals concurrently for economic and less disruptive reasons.
- c) your client has not canvassed nor taken notice of shareholders' opinions and preferences regarding proposed internal decor and intended workings.
- d) your client has not pre-advised ALL lessees and shareholders of the proposed individual internals works' costs and the proposed total budget to be appropriated from Reserves, presently announced as £190,706
- e) £190,706 is 83% of available Reserves to date, with EXTERNALS, traditionally costing twice as much as intervals, still requiring funding and due to serious overdue delays, 10% inflation and shortages of materials, becoming more expensive by the day?

f) your client has been advised of some works proposed in your s.20 Notice of Intentions are non compliant and non qualifying cosmetic improvements and unnecessary replacements as opposed to compliant and qualifying necessary repairs, as evidenced in all flat lease covenants as to what workings are permitted to be recharged to lessees via the Service Charge/Reserves - examples of which are:

- i) CCTV - approx initial install cost £8000 plus fees and vat PLUS 24/7 monitoring as yet to be advised of annual cost...? A more basic NON MONITORED install for £4000 plus fees and vat is on ANALYSIS...???
- ii) VIDEO INTERCOM - approx initial install cost £9000 plus fees and vat plus annual servicing cost
- iii) REPLACEMENT NEW LIGHT FITMENTS - approx initial quote £6000 plus fees and vat just for fitments - fitting extra plus fees and vat
- iv) LIFT CAR & SURROUNDS - £30,000 plus fees and vat (for a simple respray and replacing existing mirrors.. and lighting and internal car tidy up....) BUT SAME OLD NOISY GRUMPY LIFT... for upwards of £36,000 when fees and vat are included and contingencies utilised... will be nearer £40,000...!!!!
- v) COST QUERY ONLY REQUIRING DOCUMENTATION - Re-Wire WHOLE Building £30,245 plus fees and vat - so nearer £40,000 - PLEASE SUPPLY AJ Consultancy report and H&S Report including Fire Risk Assessment dated 27/7/21
- vi) COST QUERY ONLY - FLOOR CLEAN - £14,500 plus fees and vat so nearer £20,000...
- vii) COST & REASON QUERY ONLY - HANDRAIL REMOVAL & RELOCATION - £2000 - but WHY ... ?

g) valid queries remain unanswered:

My email dated 12 May references:

The three supplied tenders you kindly sent me ALL include CCTV and VIDEO INTERCOM and PRELIMINARIES costs and as such total;

Collins £115,898
 PJ Harte £93,904***
 Storm £144,650

So please explain WHY on your Statement of Estimates dated 16 Feb 2022 they appear highly inflated as;

Collins £128,486
 an increase of £12,588 (11%) - FOR EXACTLY WHAT ADDITIONAL WORKS to those tendered?

PJ Harte £110,027
 an increase of £16,123 (17%) - FOR EXACTLY WHAT ADDITIONAL WORKS to those tendered?

Storm £150,322
 an increase of £5672 (4%) - FOR EXACTLY WHAT ADDITIONAL WORKS to those tendered?

And please explain WHY all three tender totals then have their initially INCLUDED PRELIMINARY costs DUPLICATED and added BACK to these revised totals and by doing so erroneously INFLATE the correct starting contractor's totals CONSIDERABLY resulting in SUBSTANTIALLY HIGHER FEES AND VAT once computed in on your Statements?

... which raises valid suspicions of accuracy on all issues Statements of Estimate???

And please explain WHY the need (taking 4 weeks) to issue a revised Statement of Estimates dated 23 April due to the alleged "omission" of CCTV and VIDEO INTERCOM costs on your first Statement of Estimates when ALL three initial tenders INCLUDED CCTV & VIDEO INTERCOM*** costs.

***Or more accurately PJ Harte had costed £8678 for VIDEO INTERCOM (and £7880 for CCTV) but their £8678 Video Intercom cost had not been added to their total of £93,904 whereas all other tenders had both CCTV and Video Intercom costs fully included in their final totals BUT...

On your revised 13 April Statement of Estimates please explain why PJ HARTE's corrected total rose by, not the above missing £8678, but by £10,793...(from £133,336 to £144,129) begging the question of why the difference from their quoted £8678 to the weirdly added £10,793, as it's not fees nor vat????

And more worryingly, although both other tenders had included CCTV and Video Intercom costs, their total costs STILL rose by £10,423 (Collins) and £8230 (Storm) begging the question WHY and for WHAT?

But even more confusing is WHY PJ Harte's £7880 CCTV costing is then REDUCED to only £3800 plus vat and fees on the supplied, very confusing ANALYSIS - ???

Confusing ANALYSIS and worrying - are we shareholders expected to sanction fees of upwards of £20,000 and have your ANALYSIS erroneously headlined "EXTERNAL REPAIRS & REDECORATION" and due to often not following ITEM refs from the initial Tenders' specs, evaluating and identifying works, costs, cancelled and added workings becomes very time consuming and difficult to navigate easily or sometimes accurately-

EXAMPLE: Where on the ANALYSIS is PREPARATION - Item H - Timber Panelling - There are timber panels to Flats 7 and 2 (YOU ACTUALLY MEAN Flats 7 and 1)... SEE H&S Report - please advise?

Until lessees receive satisfactory answers to the above valid anomalies and queries it is simply IMPOSSIBLE to fathom how PJ Harte's (the cheapest to date initial tender of £93,904 ends up as £190,706 including fees and vat...

And probably far more if contingencies are utilised as they usually always are...

It is on record that despite multiple requests for an extended DEADLINE from the present 16 May, none has been forthcoming and hence this formal response remains within the existing 16 May DEADLINE and ALL observations and queries are required under L&T Act 1985 to be advised to ALL LESSEES & SHAREHOLDERS in a revised CORRECTED AND ACCURATE Statement Of Estimates with a 30 day period for further comment and observations.

FINALLY - please advise if your client MHMC(2017) Ltd's directors have received all tenders and Analysis and made any comment as regards similar observations I have made above - or indeed any comment? Please advise.

Yours faithfully,

Paul Brown-Constable
Flat 7 Mitre House

cc Tim Hawkins via email.