

**Subject:** Chester Terrace/Balustrades & CEPC

**From:** Richard Loftus [REDACTED]

**Date:** 16/02/2021, 16:14

**To:** Nicholas Packard [REDACTED]

**CC:** allan murray-jones [REDACTED] Loretta Balfour [REDACTED]

Michael Chung [REDACTED] Jack Harrold [REDACTED] Andrew

Maskell [REDACTED] Alex Bottomley [REDACTED]

**BCC:** [REDACTED]

Dear Nick

Apologies for such a long email, but I thought it best to deal with all outstanding issues in one comprehensive note.

### 1. Proposed meeting with Chester Terrace residents

I cannot help but feel that the meeting scheduled for 17 March is premature. The residents want answers regarding balustrade costs and what we plan to do, but in reality no decisions will have been made by the time of the meeting. To start discussions about splitting the costs between foundations and balustrades will open up an enormous 'can of worms'. Remember you are dealing with some difficult and, at times, belligerent people. I am not prepared to respond to all the questions and queries that will be generated - but you are welcome to do so if you have the time.

My advice would be to defer the meeting for at least 6-8 weeks.

If a meeting is to take place, I would suggest that it deals only with the outstanding issues on whether the CEPC rate demands for the anticipated balustrade works should be paid at present and also some initial discussion on the garden works.

If the garden works are to be discussed, then I would suggest that you prepare a list of options which can be circulated before the meeting and people can comment. For example - one or two pathways, maximise the lawn areas, provide privacy from outer circle, furniture so residents can enjoy the gardens, pruning of trees to provide view of the park and allow upper stories of the terrace to be visible from the park, removing some of the unattractive vegetation and planting, etc., etc. Even without any plans, this could form the basis for a useful discussion to set the ground rules for the garden renovation.

### 2. Apportionment of costs between foundation and balustrade works

We need to have a proper report on the basis on which the foundations and retaining wall works are to be payable by all Regents Park residents, not just Chester Terrace residents. Obviously, this is good news for Chester Terrace, but are we sure that the precedent set in the 1950s for Cumberland Terrace is 100% valid and cannot be challenged by residents in other terraces who are to be asked to pay?

In addition, there is an interesting issue that requires specialist legal advice. Can one simply split the contract into foundation/retaining wall repairs and the balustrade repairs as the QS has attempted to do? I think a strong argument can be made that if the works required to repair the balustrades are due to a defect in the foundations, then the cost of the balustrade works should be included in the foundation repairs!

The reality in Chester Terrace is that the deterioration/carbonation in the bottles and their replacement are clearly 'balustrade works', but the need to dismantle the plinths and create a linkage between the components is a direct result of the movement that has taken place due to the defects in the original foundations. A potential field day for the lawyers when the apportionment of £1 million or £1.5 million of costs could be involved.

### 3. Outstanding information re. CEPC rates

I think it would be useful if you could provide the following information before the meeting on 26 February:

- (a) the amount of money that is now sitting in the 'ring fenced' account for the Chester Terrace balustrades. I recall that in 2020 the figure was approximately £300,000. What is the current figure?
- (b) what is the maximum amount that the CEPC can demand from Chester Terrace residents per year for the balustrade and garden works given the rate cap? Is it £200,000 p.a.?
- (c) what does, say £1m of foundation works represent if it is to be allocated to all Regents Park residents? Can it all be collected in one year?
- (d) is the CEPC able, under its constitution, to refund rates once they have been paid? The answer received recently from Allan Murray-Jones in his email of 14 February 2021 was not clear.

### 4. Timing for garden works

With reference to the garden work, it seems to me that it could be 3 or 4 years before these could even start if we decide to rebuild the foundations. It could easily take another 12-18 months to decide what option is to be followed and then at least 12 months to tender and mobilise. This is a factor that needs to be clarified for any of the options currently under active consideration.

### 5. VAT

Can the CEPC formally confirm that the works to the foundations and balustrades would not be subject to VAT? Similarly for the garden works.

### 6. Test works on balustrade

Please confirm whether Bradford Watts did rebuild a sample bay as anticipated in Michael Chung's email of 17 December 2020. If so, was the load test carried out and what was the result? This is important as Michael Chung states that after the Bradford Watts repairs the balustrade can be as strong as when originally constructed. How close will this be to modern standards?

### 7. Analysis of report dated 5 February 2021 by Hurst Pierce

- (a) I have a practical question for Michael Chung. If the foundations in Cumberland Terrace were all rebuilt in the 1950s, then why was it necessary to completely rebuild the balustrades 10 years ago?
- (b) It is clear to me that only Options 1 and 4 are worthy of further consideration.

All the other options under 2 and 3 involve ground anchors that may or may not work or may

prove to be impossible once we start on site. Moreover, they offer no significant cost advantage over Option 4.

(c) I also note that in Option 4 there is an allowance of £100,000 to dispose of the potentially hazardous material with similar costs for Option 4a.

As we are aware, this is a significant risk item and final costs could be much higher.

(d) With reference to Option 1, I have the following observations:

Bradford Watts' quote of December 2020 totalled £446,064.

This included £21,750 to repair 250 damaged bottles and £36,400 to colour existing bottles and apply micro porous sealer (total £58,150).

If, as I suggested at the last meeting, we adopt Option 1, but replace all 677 bottles with new ones then assuming the QS estimate of the cost of new bottles is correct (i.e. £150 each) and ignoring other savings by using new bottles, the adjustment would be +£102,000 less £58,150 = approx. £44,000.

This would create a total cost of £490,000.

I note that HPM's analysis assumes a total cost of approximately £500,000 (for refurbishing all but 250 bottles) BUT THEN ASSUMES that the cost is spread over 20 years, i.e. we don't repair it all today but do the repairs piecemeal over 20 years. This is surely nonsense.

The correct analysis is to do the works now - replacing all the bottles and pinning the components as proposed - and then making a guess at the works that might be necessary in the future.

Even if it will cost say £10,000 p.a. on average to maintain over the next 20 years, it is still the most viable proposal.

(e) With Option 1 there is also the question of whether some of the costs should be borne by all ratepayers as discussed in paragraph 2 above.

Moreover, one could certainly argue that some of the Option 1 works are the direct result of the defective foundations and retaining wall that are apparently the responsibility of all Regents Park residents. There is most certainly a 'horse deal' on the basis that Regents Park residents have a choice of paying £1m+ for Option 4 foundation works or a much smaller sum, say £150,000 of the initial Option 1 costs plus say 50% of any maintenance costs for the next 20 years. I would enjoy being part of these negotiations!

I trust my note is of assistance.

Kind regards

Richard

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Richard Loftus

Chester Terrace/Balustrades & CEPC

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