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Andy Donald  
Chief Executive  
London Borough of Haringey  
Sent via email: [Andy.donald@haringey.gov.uk](mailto:Andy.donald@haringey.gov.uk)

24 November 2025

Dear Andy,

Many thanks to you and your colleagues for responding to our letter dated 14 October 2025 and starting a dialogue with FLAG. However, the response did not provide the reassurances that we were hoping to receive and raised more questions, especially in relation to council's procurement and contract management practices.

We think it is beneficial to recap the problems we raised in our initial letter to you as below:

**Building insurance**

- **Building insurance charges doubled or in some cases almost tripled for two consecutive years.** A couple of examples are: a 76% increase from estimate to actual in 2023/24 (£297 to £523), followed by a 124% increase in 2024/25 (£496 to £1,112). Another resident saw an 130% increase.
- **Further querying from FLAG revealed some further details in relation to how the insurance contract was managed** which have likely contributed to significant increases as we think there are questionable practices.
- **Haringey is an outlier with insurance cost** – as insurance data FLAG gathered from other councils showed no increases of this magnitude. This is likely to suggest that one of the root causes of the problem was specific to Haringey's procurement or contract management.
- **Evidence points to potential maladministration** – the scale of increases, unusual contract management practices and lack of comparable increases elsewhere raise questions about whether the council fulfilled its duty of care and procurement responsibilities. This has not only affected residents but also puts a burden on Haringey's finances when money and resources are tight.
- **Insurance charge allocation appears arbitrary**– two one-bedroom flats in the same block can have insurance charges that differ by almost 100%, while much larger flats might be paying a fraction of the cost in comparison to smaller flats, with no clear correlation to property size, bedroom count, block location, or the clauses in

the lease agreement explaining how the costs are allocated- suggesting charges are using a possibly flawed methodology creating huge discrepancies.

### **Service charges**

- **Inaccuracy in service charge billing is a standard practice and accepted as “business as usual” with council sending inaccurate bills to thousands of residents** – the council routinely sends bills containing incorrect figures and charges for unrelated items, affecting thousands of residents borough-wide every year.
- **Quality assurance burden falls on residents**– rather than getting it right first time or proactively identifying and correcting errors, the council relies on individual residents to spot mistakes and challenge inaccuracies in their own bills when the issues are systemic, not related to individual residents.
- **Council fails to provide transparency when challenged** – repeated requests for detailed breakdowns and supporting documentation for previous years' service charges have been ignored. This raises serious questions in terms of organisation's sense of accountability. Rather than collaborating with residents, this attitude seems to be aiming to “close the issues off”.
- **Small errors undermine confidence in larger charges** – while some incorrect items involve small amounts, these still raise serious questions about the accuracy of major charges like the building insurance increases or other items in the bills.

The cumulative impact of these issues has significantly eroded residents' trust in the council. For example, FLAG has invested considerable effort attempting to rectify errors in last year's bills, yet timely cooperation has been lacking. We acknowledge that in your response you stated that cost details will be shared in due course (after 7 months of delay). However, what we experience is a very usual example of a common pattern. And this pattern raises questions about transparency, organisational culture around accountability towards residents, and a lack of awareness on how residents are affected. As such, contrary to how you stated at the beginning of your letter, FLAG's concerns extend beyond billing errors and it is also about whether the council fully recognises its duty of care to residents, particularly during a time when the cost-of-living is very high.

We included below our direct response to your answers and our further questions:

- 1- Thank you for providing this explanation. The fact that you have now successfully retendered and reduced insurance costs for 2025/26 makes us wonder as to why the excessive increases in 2024/25 were not avoidable. This raises questions on the contract management and forward planning practices. Please could you provide further clarity on the following points for us to understand what really went wrong and what safeguards are now in place:

- a. It is very unusual for a contract of this kind to end abruptly - there should have been months of notice which should give you time to prepare. Why was there no smooth transition to alternative insurance provider?
  - b. If you've brought costs down for 2025/26, why didn't you do this before the 2024/25 increases? The scale of increases suggests you had little or no negotiating power. What prevented earlier action? What was done (or was not done) when Zurich gave notice?
  - c. You said that Zurich cited "increasing cost of claims" which suggests problems with how council maintains its property portfolio or risk management. What is your plan to address this as this is going to be an ongoing problem under the new contract as well? What has changed in your processes to prevent this happening again? Who monitors contract end dates and ensures timely competitive retendering? How can you ensure that residents won't face extortionate increases should your most recent provider decides not to extend the contract?
  - d. You said that council did not tender with the consortium as it would not have affected the tender. It appears you made the decision to leave the consortium first, then justified it afterwards - but how do you know it "would not have affected the tender" without testing both options? The consequences of your decisions directly affect thousands of residents; as such, more evidence should have been considered as to how this benefited the residents than what it feels like backward decision-making.
  - e. Very high costs of building insurance did not only affected residents but it is a cost burden on council as well, especially when resources are tight after years of budget cuts and austerity. Can you confirm the name of the insurance provider for 2024/2025 financial year, that's after Zurich stated that they won't be extending the contract. Was this pricey period with Zurich or another insurance provider? Essentially, we want to understand whether you had a different provider between Zurich and this new insurance provider you tendered recently. Please also confirm whether it was a tender with single contractor or whether it was a competitive tender. Can you please confirm the total contract value with Zurich, total contract value with Zurich or other provider during this high-cost period and total contract value with the new provider.
- 2- We acknowledge the data we provided isn't like-for-like, but no two councils will ever have identical portfolios or claim histories - so dismissing comparisons entirely means no benchmarking would ever be possible. We're not arguing for a policy overhaul based on these comparisons- the data is not robust enough for such decisions. We're demonstrating that Haringey appears to be an outlier, and the data is robust enough to argue that. Comparative

data is one piece of evidence among several suggesting systemic problems and that something does not look right in your practices.

- a. Please provide the names of the London Boroughs in the consortium.
  - b. If your risk and insurance manager consider our data as insufficient, please could they specify what metrics would provide a reasonable comparison - whether total portfolio costs, average cost per flat, costs by number of claims, or another measure. Are they arguing that Haringey is not an outlier? Because we believe it is, based on the data we gathered.
- 3- Thank you for explaining the apportionment methodology, but this raises more questions than it resolves. Building insurance is based on reinstatement costs (the cost to rebuild), not market valuations - these are fundamentally different concepts. Using market valuations appears to create a system where leaseholders with recent sales subsidize properties with outdated valuations, most probably benefiting council-owned flats. We haven't found other London boroughs using this approach, and it also appears to contradict lease agreements that specify bedroom-based formulas. We need the following information to understand whether this system is fair and legal.
- a. Building insurance covers rebuilding costs, not property values. Why are you using market valuations when they have no bearing on reconstruction costs? What's the legal and technical justification for this approach?
  - b. When were council-owned properties last valued? If they haven't been revalued in decades, does this mean that leaseholders and especially those with recent valuations, effectively subsidizing the council's share of insurance costs?
  - c. We need to understand the cost distribution data for transparency, please could you provide the figures for Ferry Lane Estate.:
    - What percentage of flats are council-owned vs. leaseholder-owned?
    - What percentage of total insurance costs are paid by council vs. leaseholders?
    - What percentage of claims come from council properties vs. leaseholder properties?
  - d. Our lease agreements specify bedroom-based apportionment formulas. Our understanding is that, this should be applied to insurance too. How is your valuation-based system consistent with these contractual terms?
  - e. Which other London boroughs use market valuations for building insurance apportionment? We couldn't find comparable examples - if this is unique to Haringey, why is that?



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- 4- Many thanks for informing us about these arrangements. We will pass this information on to our residents.
- 5- As stated at the beginning of the letter, although the amounts for non-existing items in the service charge bills are small, they cast doubt on the overall accuracy of the charges and further eroding trust. As residents, we want to receive accurate bills, decent quality services and pay our share. We don't think this is too much to ask for. Service charges involve significant sums of our money, and we need confidence that accuracy is being treated as the priority it deserves to be.
- 6- We appreciate the acknowledgment that manual calculations lead to errors, and we sympathise with staff working under inadequate systems. We spot errors and challenge them, but we're also concerned about the mistakes we haven't caught. While automation through NECH is welcome, we need a clear timeline with specific dates. Unfortunately, this response doesn't provide the reassurance we need for next financial year service charges' accuracy. So, as far as we are concerned, the question remains -will you be able to send accurate bills next time?  
Regarding the "historical issue of leaseholders being charged for tenants repairs" Can you provide more details on this error, such as how long this occurred, how this affected leaseholders?
- 7- Many thanks for acknowledging the 7 months long delay to our complaint requesting the costs of the works in Ferry Lane estate. Just to add, as of today, we still have not received anything. We look forward to receiving a response in due course.

We also would like to express our commitment to work collaboratively towards resolving these issues and ensuring accuracy, fairness, and transparency. However, the systemic problems we've identified have affected thousands of residents over multiple years and they require attention, not only from an operational level but from the senior leadership level.

As a public sector organization, Haringey Council has a duty to be accountable and transparent to the residents it serves. We note that several of our questions in this letter amount to Freedom of Information requests and expect responses within the statutory timeframes under the Freedom of Information Act 2000. We look forward to receiving your answers.

Yours Sincerely

Lorna Reith

Chair, FLAG

Sinan Fahliogullari

Committee Member, FLAG

CC: Suzanne Prothero, Cllr Sarah Williams, Cllr Mark Grosskopf