

**Birmingham  
Leaseholder  
Action Group  
OPEN MEETING**



# Birmingham Leaseholder Action Group Round Table

## AIMS + AGENDA

Topic	Presenter	
Introduction and aims	Jennifer Reid, Chair BrumLAG	18:30-18:32
How did we get here?	Jennifer Reid, Chair BrumLAG	18:32-18:40
Guest Speakers	Andy Street, West Midlands CA Mayor	18:40-18:50
	Preet Gill MP	18:50-19:00
Impact Statements	Brian Simpson, Islington Gates	19:00-19:04
	Tom Brothwell, Brindley House	19:04-19:07
	Patsy Sweeney, KEW	19:07-19:10
	<i>Questions &amp; Responses</i>	19:10-19:20
Actions you can take	Paula Shalloo, BrumLAG + EOCS	19:20-19:30
Meeting Close		19:30

## Birmingham Leaseholder Action Group

### MEETING PROTOCOL

- Please type your name and development / company in the chat
- All muted except presenters, please add questions to chat
- We will try and catch and explain any acronyms in the chat
- Q & A session at the end
- We will answer as many questions as possible and follow up on any outstanding queries following the meeting
- We will be recording
- We will send out detailed presentation pack after meeting

## WE HAVE FUNDING SO THE ISSUE WILL BE FIXED?

Aluminium  
Composite  
Material  
Fund

£200m

Building  
Safety Fund  
(non-ACM)

£1bn

- Prospectus July 2018 (social), May 2019 (private)
- Applications September 2019 (private)
- Strict criteria in terms of state aid forms & type of ACM cladding

***In 3.5 years only 74 private blocks with ACM, or 35%, have completed remediation. In total 230 buildings with ACM have not completed remediation***

- Prospectus May 2020
- Registration by July 2020
- 2,820 buildings applied
- Only **5 BUILDINGS** has funding for unsafe cladding removal approved
- Those buildings have a **significant amount of other fire safety issues** not covered by funding
- In fact **70% of buildings** surveyed reported other fire safety issues than cladding

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## FUNDING SCOPE

### *The issue keeps getting bigger Building Safety Crisis*

Approx **2,800 buildings**  
with unsafe non-ACM  
cladding above 18 metres



There are **100,000 buildings** between 11 and 18 metres that we have no data on which may need remediation.

There are also significant costs for fire safety defects & interim measures not covered by current fund.

AN14 updated in Jan 2020 calls for EWS style checks on all heights of buildings.

***If remediation carries on at current pace it would take 39 years for buildings to be made safe***

***How long before we have another serious fire?***

56,000 people living in high rise buildings above 18m covered in ACM 3 years on from Grenfell  
**243 buildings**



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## REACTION TO LATEST FUNDING ANNOUNCEMENT



- While £3.4 billion (£5bn total) to remove unsafe cladding from buildings over 18m is a huge amount of funding, it is **underestimating the size and scale of the issue**
- The Select Committee estimated last year the amount required for buildings **over 18m = £15bn**. Since then the number of those buildings requiring work has risen significantly
- For buildings over 18m, **70% have other fire safety issues not covered by funding**. Often these costs can be 50% or more of the overall cost to remediate a building
- Buildings **can't start work** without having all of the money to remediate collected
- Many buildings will remain unsafe while **interim costs bankrupt leaseholders** and contribute to a further deterioration of previously well managed buildings
- Those in buildings under 18m face being saddled with loans longer than their mortgages to remove cladding, AND needing to find money on top of that to fix other fire safety issues
- With the glacial pace of funding administration, and the low number of companies available to do remediation work (200 – 400 companies), an unknown amount of buildings with an unknown amount of issues, crippling interim costs, **we are heading for a huge crisis this year**. Many people will only see their remediation costs this year, and their first huge insurance hikes
- We need leadership to identify buildings and risk, and to provide a solution that addresses the whole problem – **part solution = no solution**

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### REACTION TO LATEST FUNDING ANNOUNCEMENT

#### EXAMPLE

##### Leaseholder A in a block 18m

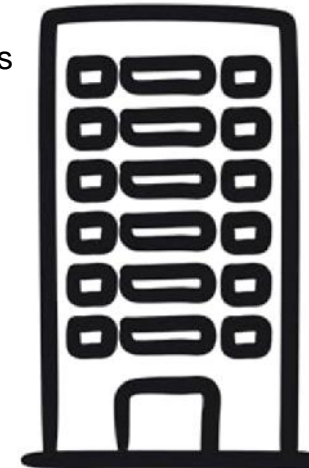


- Cost to remediate £50,000
  - £25,000 covered by fund
  - £25,000 not covered
- Paying extra £400 a month or £4,800 annually to cover insurance and waking watch costs

Every person in this block needs to find this money to start work.

Even if Leaseholder A can afford to pay many others will not be able to.

##### Leaseholder B in a block 17.5m



- Cost to remediate £50,000
  - £25,000 covered by loan
  - £25,000 not covered
- In addition some are paying extra £400 a month or £4,800 annually to cover insurance and waking watch costs

Loan will take 41 years to pay back

Every person in this block needs to find this money to start work.

Even if Leaseholder B can afford to pay many others will not be able to.



**Buildings WILL remain unsafe**

**Interim costs for items not making building safe ARE bankrupting people**

**Many people will only see costs for their building this year**

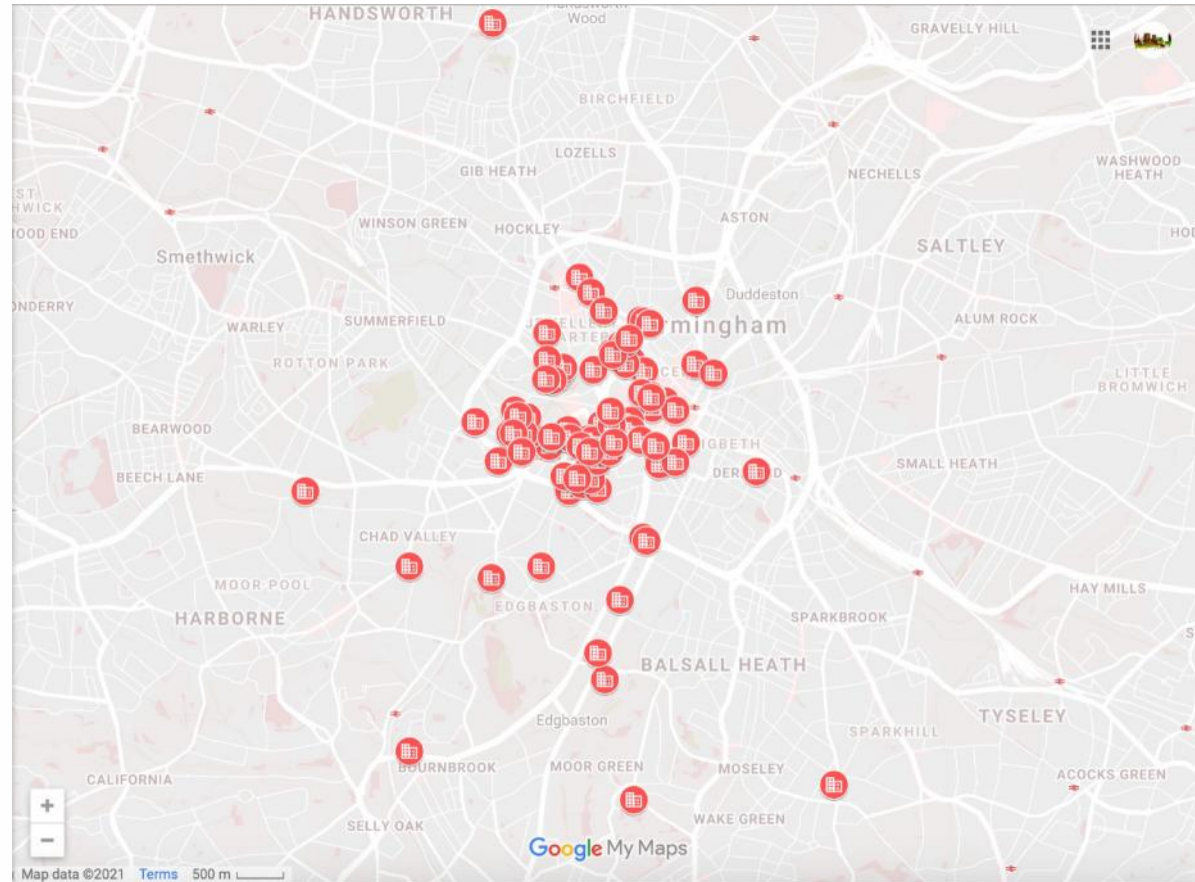
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## Birmingham Leaseholder Action Group

- 118 developments registered building safety fund W Mids (over 18m)
- Of which 110 developments in Birmingham
- We have contact with 67 developments
- Unknown amount of developments under 18m facing issues

## BIRMINGHAM MAP



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**ANDY STREET**



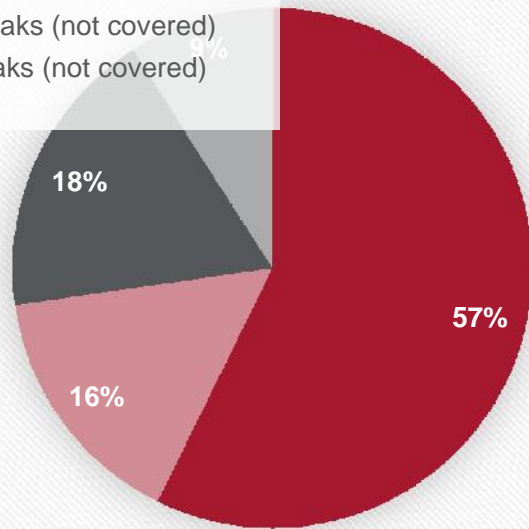
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**PREET GILL MP**



## REMEDIATION COST

- Cladding
- External Fire Breaks (not covered)
- Internal Fire Breaks (not covered)
- Other



*All costs other than cladding currently need to be found in order to start work  
This will prevent many developments from being remediated*



## **BRIAN SIMPSON ISLINGTON GATES IMPACT STATEMENT**

- Does the latest announcement help the situation?
- What issues do you have to start work?
- Do you know when you will be able to start work
- What are your annual interim costs?
- **£400,000**
- % increase in service charge since issues found?
- How long do you think you will be able to carry on without a resolution?

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***PATSY SWEENEY  
KEW  
IMPACT STATEMENT***



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**QUESTIONS AND RESPONSES**  
**19:10 – 19:20**



# Birmingham Leaseholder Action Group

## Cladding Group Campaign Asks

### Campaign Actions

#### 1. Key Dates

- 24th February: Fire Safety Bill Debate, House of Commons
- 3rd March: Budget Day

#### 2. Ask MPs to sign the Smith-McPartland Amendment (iParl templates)

- 1800 letters sent to date



Notes 17:57 Sat 20 Feb publications.parliament.uk

3 of 8

**"Prohibition on passing remediation costs on to leaseholders and tenants"**

(1) The owner of a building may not pass the costs of any remedial work attributable to the provisions of this Act on to leaseholders or tenants of that building.

(2) Subsection (1) does not apply to a leaseholder who is also the owner or part owner of the freehold of the building."

Stephen McPartland	Anne Marie Morris	Tom Tugendhat
Royston Smith	Sir David Amess	Andrew Rosindell
Mr Philip Hollobone	Elliot Colburn	Sir Mike Penning
Mr John Baron	Mr Virendra Sharma	Stephen Hammond
Caroline Nokes	Sir Roger Gale	Tracey Crouch
Bob Blackman	Dr Matthew Offord	Mr Andrew Mitchell
	Rebecca Long Bailey	Caroline Lucas
	Sir Peter Bottomley	Dawn Butler
	Mrs Pauline Latham	Shabana Mahmood
	John Cryer	Bell Ribeiro-Addy
	Florence Eshalomi	Stella Creasy
	Jason McCartney	Daisy Cooper
	Wendy Chamberlain	Huw Merriman
	Ed Davey	Chris Green
	Kim Johnson	Tim Farron
	Lloyd Russell-Moyle	Janet Daby
	Helen Hayes	Andy Slaughter
	Meg Hillier	Mrs Maria Miller
	Munira Wilson	Caroline Ansell
	Dr Julian Lewis	Kerry McCarthy
	Rachael Maskell	Debbie Abrahams
	Mr Tanmanjeet Singh Dhesi	Matt Western
	Mr David Davis	Rehman Chishti
	Justin Madders	

**END OUR CLADDING SCANDAL**

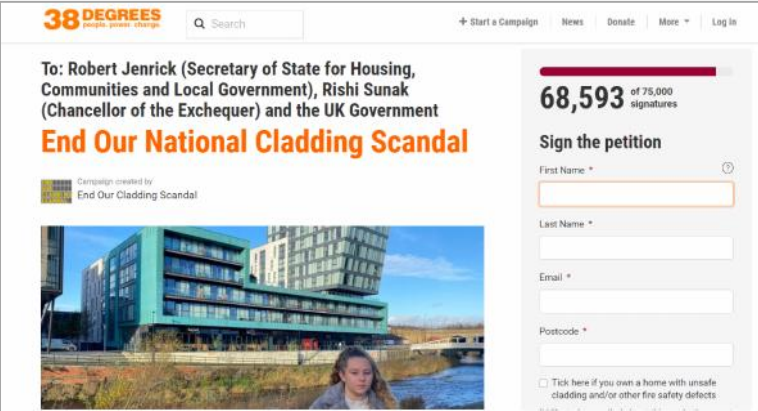
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## Birmingham Leaseholder Action Group

### Cladding Group Campaign Asks

#### Campaign Actions

3. Use updated Twitter hashtags alongside  
**#EndOurCladdingScandal**  
**#BuildingSafetyCrisis** **#NotJustCladding**
4. Sign our petition with 38 Degrees
  - <https://you.38degrees.org.uk/petitions/end-our-national-cladding-scandal>
  - The Government must protect all flat owners from the costs of fixing unsafe buildings, no matter the height of those buildings.
  - The problems now stretch well beyond cladding to other defects like missing fire breaks and flammable insulation.
  - 86% of surveys to date have shown work is needed as buildings are unsafe - at cost to flat owners
  - Flat owners must not be forced to pay, both financially and mentally, for others' mistakes.
5. Make sure your development is represented – **we need active partners in each affected development to help coordinate communications**



The screenshot shows the 38 Degrees petition page. At the top, the 38 Degrees logo is visible. The petition title is 'End Our National Cladding Scandal'. It is addressed to Robert Jenrick (Secretary of State for Housing, Communities and Local Government), Rishi Sunak (Chancellor of the Exchequer) and the UK Government. The page shows that 68,593 out of 75,000 signatures have been collected. Below the title, there is a photo of a modern building with cladding. To the right, there is a form to sign the petition with fields for First Name, Last Name, Email, and Postcode. A checkbox at the bottom asks if the signer owns a home with unsafe cladding or other fire safety defects.

68,593 Signatures so far

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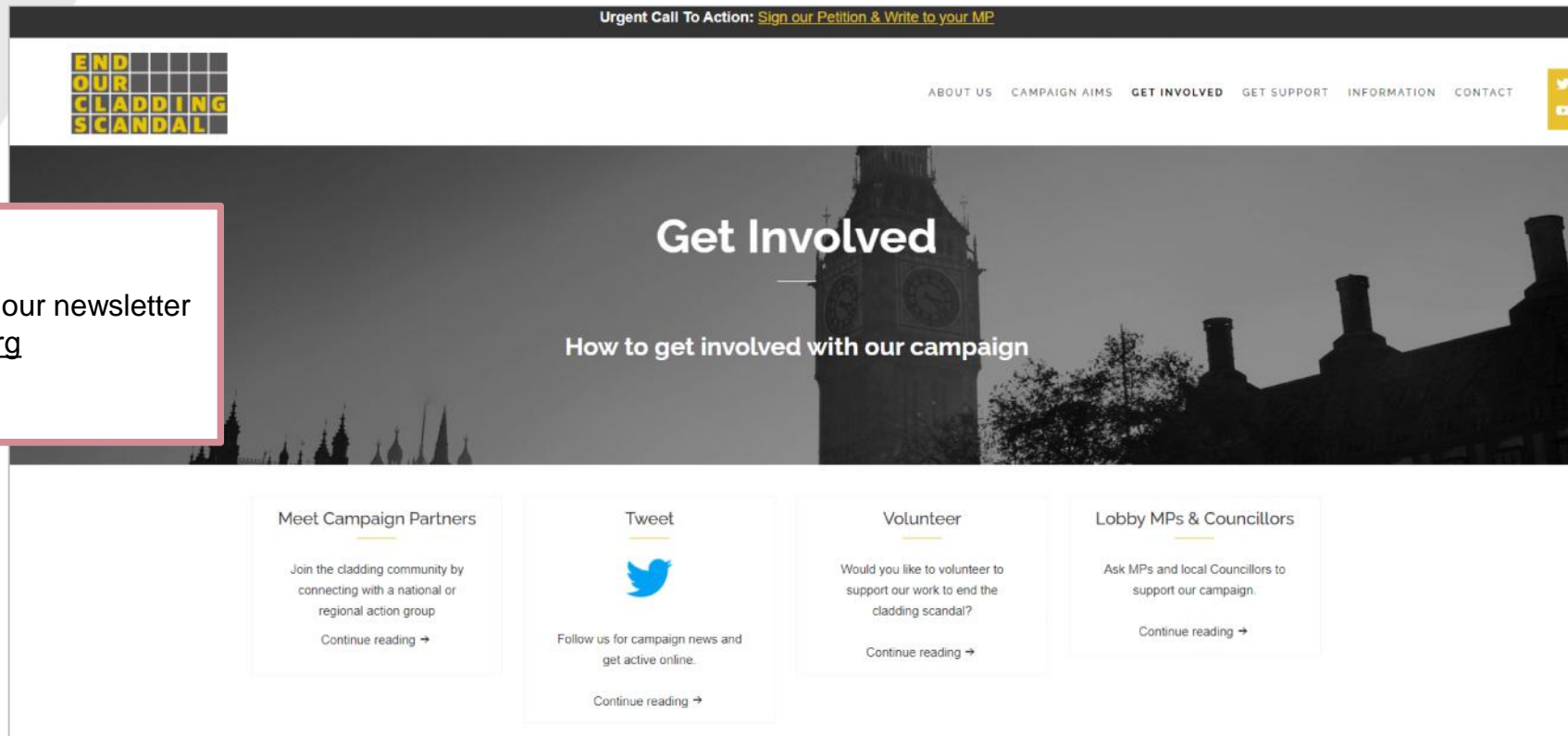
## Cladding Group Campaign Asks

### Campaign Actions

NEW: End our Cladding Scandal web page – Aims | Get Involved | Get Support

#### Keep informed:

- [brumlag.org](http://brumlag.org) – sign up for our newsletter
- [endourcladdingscandal.org](http://endourcladdingscandal.org)
- @BrumLAG
- @EOCS\_Official



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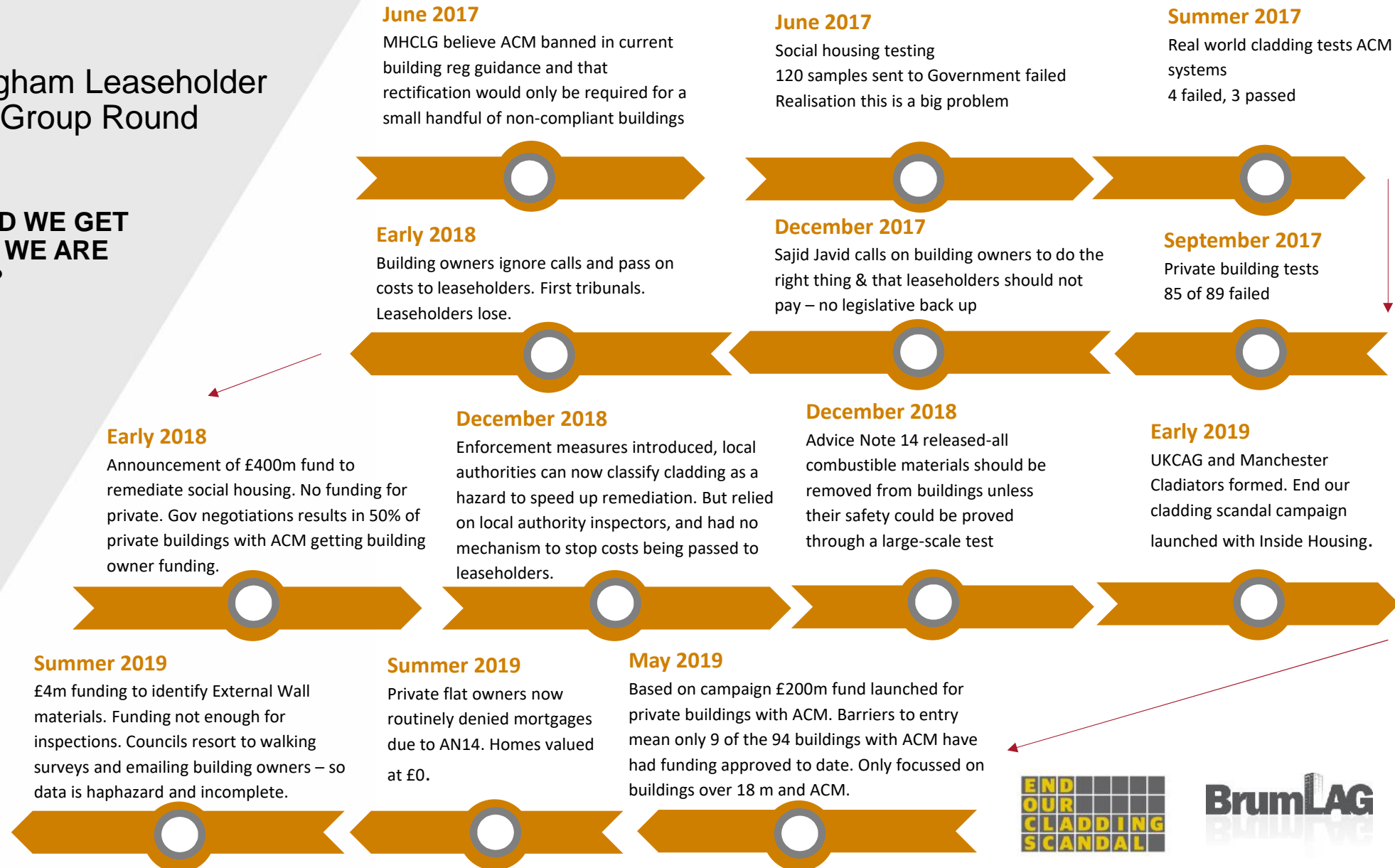
### KEY TAKE AWAYS

- Without a holistic and sustainable funding solution many, if not most, buildings will not be able to start remediating their buildings
- Part solutions = no solution
- Meanwhile buildings are facing huge interim costs which are already bankrupting people
- Many buildings will only start to see these huge increases this year (insurance, waking watch)
- We need Government leadership of a consistent assessment of affected developments to know accurately their risk level and requirement for remediation
- The funding and administration needs to be appropriate to the size and scale of the issue
- The polluter must be forced to pay their share to fix this crisis. £2bn over 10 years for developers who have made well over £10bn since the tragedy at Grenfell is not enough.

## APPENDIX

# Birmingham Leaseholder Action Group Round Table

## HOW DID WE GET WHERE WE ARE TODAY?



# Birmingham Leaseholder Action Group Round Table

## HOW DID WE GET WHERE WE ARE TODAY

### Autumn 2019

~600,000 flats now effectively unsellable.

### December 2019

External Wall System test launched (EWS1) –giving surveyors power to declare buildings safe without a test. However results in surveyors insurers not covering them to sign off these forms.

### January 2020

Government toughened its advice notes – calling for the removal of dangerous materials from buildings below 18m as well. Increased affected buildings from 2,200, to ~100,000 (between 11-19m)

### March 2020

Following significant campaigning the £1bn building safety fund is announced. Low estimates say this is a 1/3 of required amount and will be given on a first come first serve basis

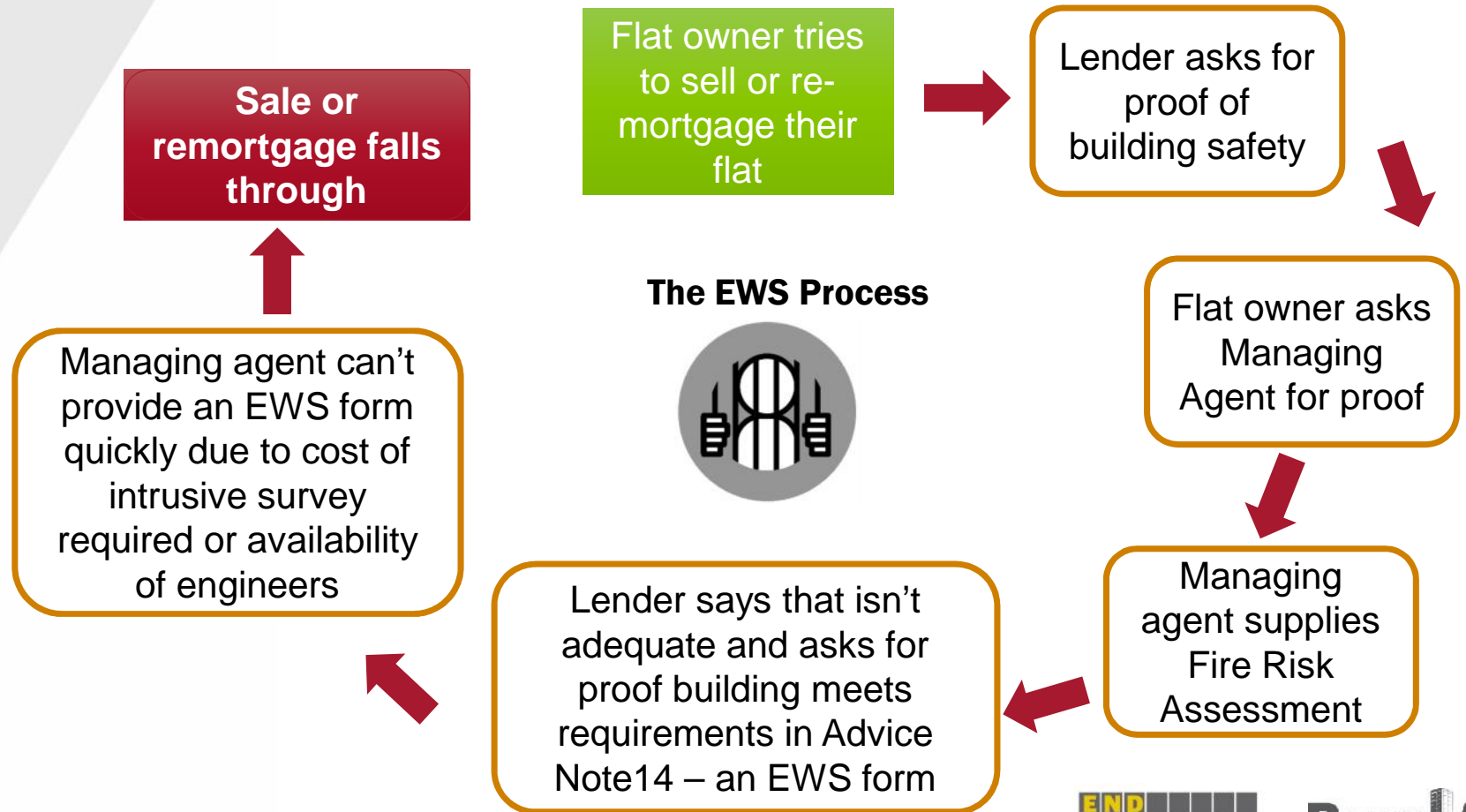


### June 2020

Select Committee report launched, key requests:

1. All buildings of any height with ACM cladding should be fully remediated of all fire safety defects by December 2021 [\[add figures\]](#)
2. Buildings with other forms of dangerous cladding should have all fire safety defects removed by June 2022 [\[add figures\]](#)
3. The Government should provide funding support for ongoing 'waking watch' fire patrols and fire alarms.
4. The Government should ensure that all residents are offered support by the NHS to help them cope with what they continue to go through.
5. The taxpayer should not be expected to cover all costs of this crisis. While it is right that the Government should provide funding upfront so that work can begin quickly, they should also seek to recover costs on individual buildings from those responsible and be prepared to take legal action.
6. Funding will need to be increased to address all fire safety defects in every high-rise or high-risk residential building—potentially costing up to £15 billion

## EWS PROCESS



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## WHAT HAPPENS WHEN YOU DO GET AN INTRUSIVE SURVEY FOR YOUR EWS1?

### BEST CASE

- No issues found
- Leaseholders can now remortgage and sell their flats

### WORST CASE

- Issues are found
- A 24/7 waking watch can be required which can cost hundreds of thousands a year
- Other measures such as upgraded alarms can be required also costing hundreds of thousands
- Insurance issues

***It is very hard to say what issues a building will be found to have from looking at it. There could be flammable insulation hiding behind panels. Missing fire breaks.***

***One housing association Hyde carried out in-depth fire safety checks to more than 80 tower blocks it owns, it found problems with all of them.***

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# Birmingham Leaseholder Action Group SUMMARY KEY ISSUES



## Identifying affected buildings

in the West Midlands  
The Building Safety Fund  
Registration closes end Jul 2020  
WMFS says survey of building not due to complete until end Dec 2021



## High cost of interim measures

- Fire alarms ~£100,000+
- Waking watch - £180,000+
- Insurance premiums - £200K+
- Intrusive surveys -£50K+



## EWS1 and FRA

- People are struggling to sell or re-mortgage their flats as a number of lenders are asking for an EWS1 (External Wall System Form). A lack of qualified surveyors potentially means a wait of 6-12 months or more according to ARMA.
- 11m+



## Insurance

- Availability of acceptable premiums (in terms of cost, coverage and terms)
- Increasing problem
- Puts leaseholders in default of their mortgages
- Companies offering first loss only
- Inability to campaign



## Funding

- First come, first serve
- Only open for registration until end July
- Must have full plans submitted this yr
- 1/3 of required funds (low estimate)
- SC advises £15 bn required
- Doesn't cover interim measures
- Doesn't cover other fire safety defects
- Doesn't cover buildings under 18m