



HOUSE OF COMMONS

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Sunday, 25th October 2020

Dear Robert,

Since the tragedy at Grenfell Tower, the issue of cladding has been a source of great concern for both government and citizens alike.

I am writing on behalf of a number of my constituents who are affected by issues relating to cladding, particularly in developments in Portishead in North Somerset. As you may know, Portishead is a hugely successful example of development of a brownfield site, the former Portishead docks and power station, which has been transformed into high quality housing around the new marina, itself a popular amenity.

I am reassured by the initial response of ministers that "it cannot be right that leaseholders have to worry about the cost of fixing safety defects in their building that they did not cause. The £1 billion Building Safety Fund, alongside the £600 million in funding already provided, will help remove cladding on high-rise residential buildings, protecting leaseholders from remediation costs." This is reassuring to all those who initially felt that the costs might fall on them alone.

However, let me outline some of the issues at a practical level. There are broadly three groups of my constituents, affected in different ways.

The first is typified by residents at Sixty8 on the Marina, a new build around 8 years old. The management company asked Crest Nicholson, the builders, and NHBC whether the building meets current guidelines. Despite some reticence to engage, which eventually resulted in legal action, NHBC accepted the claim and agreed to replace all existing cladding at a cost of around £4-5 million.

This does not cover costs to balconies or legal fees so residents will likely find themselves out of pocket through no fault of their own but at least they will not be asked to pay the sort of costs that were initially feared.

This issue will hopefully be addressed by the arrangements for financial burden sharing.



I look forward to having details of how, in practice, the stated aim of the government will be put into effect, namely that "under the new statutory terms, the landlord commits to the leaseholder to carry out the necessary measures, apply for any available financial support and observe the statutory requirements in relation to raising charges. In return, the leaseholder commits to the landlord to pay a fair share of reasonable charges and cooperate with the building safety regime." Clearly, how terms such as "fair" and "reasonable" will be interpreted will be of great importance.

The second scenario is where the cladding did not meet the regulations at the time of the build i.e. before changes made following the Grenfell tragedy. This appears to be potentially the case for residents of Ninety4 on the Estuary, Portishead where a recent survey carried out to the external façade (July 2020) has identified combustible materials which, are not only non-compliant with current building regulations, but may not be compliant with regulations in force at the time of construction. I enclose a copy of a summary of the report, carried out by the Management Agent, HML, which has already been provided to the Technical Executive at Crest Nicholson (Executive Summary and Fire Report to be found on pages 81-84). I can supply a full copy of the report if that would be helpful. My constituents are still awaiting a reply and have the dual anxiety about their safety and the ability to sell their properties while the issue remains unresolved. Surely, if it turns out to be correct that there was not compliance with regulations at the time of construction, liability must lie with the builders and NHBC rather than the owners of the apartments.

The third position is set out in correspondence from residents at another block, the Moorings, where the management company (Hillcrest) instructed solicitors (Blake Morgan) to investigate on leaseholders' behalf. Again, I enclose a copy. In summary, Crest Nicholson have declined to replace the cladding, E and J Estates (the freeholder) has declined and NHBC has offered to put fire breaks in place but not replace the cladding. The human toll of this situation is well put by one of my constituents who is understandably distraught at potentially being asked for over £40,000. He says "I am aged 70. It took our life savings to buy an apartment on the Marina. At our age we could not get a mortgage or a bank loan, we are on a fixed income with no other money source. We are at our wits end and I, for one, have been losing sleep. Mortgage companies have zero rated the apartments for lending purposes so we can't remortgage even if we were of an age to do so."

This latter point clearly has implications for younger owners. I am reassured that the government believes that "the new funding should mean that banks and mortgage lenders have certainty that remediation costs for these buildings will be paid for". We will all await the practical implications of this point with interest.

One of the elements that seems to differentiate the outcomes is the availability of government funding dependent on the height of the block. My constituents in the Moorings state that their apartment block is 17.5m high which is not eligible for funding as the threshold is 18m.



A nearby, almost identical block, built by the same builders at the same time, is 18.5m high and does qualify. Can you tell me if this is correct? I am pleased that the government accepts that the Government does not accept the use of External Wall System Review forms and encourages lenders to accept "equivalent evidence that demonstrates buildings are safe for evaluation purposes". We all hope that this will mean a more pragmatic and sensible approach for lower rise buildings.

In respect of forthcoming legislation, I hope we can see clarification on the height of buildings liable for help. In the case I have outlined in respect of The Moorings, it seems unfair to penalise one set of leaseholders who bought identical apartments from the same builder at the same time. I hope that we can also deal with those who cannot afford to pay additional costs.

The government's response so far has been extremely reassuring in principle, but we will want to see how the issues I have raised here will be dealt with in practice and on a legally enforceable basis. Any further information you can give me that I can pass on to my constituents would be gratefully received.

*yours ever,
Dawn*

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