

**'What a waste of a life being an honest, tax-paying citizen in this country turned out to be': High Point Villages, Hayes representation on cladding and building safety**

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**1. Introduction:** This document provides the view on the ground from residents of High Point Village, Hayes (HPV) with regards cladding, fire safety and remediation issues. In the wake of Grenfell, these issues are currently [estimated to impact up to 3.6 million residents across the UK](#).<sup>1</sup> HPV is both an affected development in its own right and could be seen as one of many case studies constituting a wider national scandal.

The document serves two primary functions: 1. To provide an overview of the complex tenancies and contracts comprising the residential arrangements across the estate, in part to situate the multiple mounting cladding and building safety problems within the inextricable contexts of [archaic leasehold laws](#)<sup>2</sup> and a [problematic social/affordable housing sector \(including e.g. shared ownership schemes\)](#).<sup>3</sup> 2. To provide an overview of the impacts on HPV residents of the current cladding and building safety issues. Many of the views, experiences and concerns presented echo that of affected leaseholders across the country e.g. sales falling through, uncertainty around impending remediation costs, financial fears and worries of possible bankruptcies and evictions, lives on indefinite hold, the feeling that young and first-time homebuyers are being betrayed by government. Factors that are somewhat more unique to residents of HPV include: residents working in air travel, logistics and hospitality-related sectors and businesses that are already heavily affected by the pandemic; and the diverse nationalities who live here, including EU nationals facing uncertainty due to potential changes and restrictions in movement rights from January 2021 related to Brexit.

The aim of this document is therefore to 1. Raise awareness, offer context and provide clarity from residents' points of view on the situation in HPV, in order to urge and assist local government and other stakeholders to engage, intervene and act in support (or where appropriate, on behalf) of residents, and 2. To create connections and robust links between the local situation and the national problem, to urge joined-up, longer-term and decisively moral thinking at higher levels of government. It is clear to HPV residents that the cladding and building crisis represents a system-wide failure approaching boiling point. Where some of the concerns raised specifically with regards to High Point Village calls for pre-emptive thinking or action, and the situation here is still evolving, the national picture on the cladding and building safety scandal suggests a need for early planning for timely remediation, mitigation of potentially inflated and unaffordable costs, and serious consideration of the far-reaching consequences this matter holds for the future of UK's housing.

The intended audience for this document include, but is not limited to: the office of John McDonnell MP for Hayes and Harlington, the local borough council (Hillingdon) and councillors, the official End Our Cladding Scandal national group and other cladding groups, and interested members of the press. The document has been compiled by Dr Audrey Verma on behalf of and with the integral support and insights of the HPV Signal Building Residents Association (through Tony James) and HPV Residents Association (through Adrian Faulkner) over the course of 4 weeks between October and November 2020. The information in this document is true to the best of our knowledge as at 13 November 2020. A case study and qualitative approach is used, with representations from residents invited and collected through the two aforementioned residents' associations in operation within the development, supported by empirical insights accrued from the first-hand lived experience and stakeholder engagement of all co-authors, who are long-term HPV residents. Quotes have been edited for clarity, length and to protect anonymity of residents.

**2.1. High Point Village (HPV) overview:** This section provides an overview of the complex tenancy and leasehold arrangements within HPV, and details the relationships between residents/leaseholders, Ballymore Group (who are the freeholder, developer and managing agent) and the two housing associations operating within the development, Notting Hill Genesis (NHG) and Metropolitan-Thames Valley (MTVH). While this section alludes to the external wall survey results (EWS1), fuller details of the survey results and cladding-specific issues are covered in depth in the next section 3.

The residential parts of HPV comprise five blocks of flats including Vantage building (204 flats), Cardinal building (138 flats), Navigation building (96 flats), Signal building (52 flats) and Compass building (88 flats). [There is a poor door](#)

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<sup>1</sup><https://www.insidehousing.co.uk/news/news/end-our-cladding-scandal-campaign-relaunches-with-10-step-plan-to-tackle-mounting-crisis-68020>

<sup>2</sup><https://www.lawsociety.org.uk/en/topics/property/law-commission-publishes-reports-on-leasehold-home-ownership>

<sup>3</sup><https://www.leaseholdknowledge.com/shared-ownership-a-misnomer-that-can-be-worse-than-renting-and-worse-than-leasehold-says-solicitor/>

[policy in operation in HPV](#),<sup>4</sup> with the main entrance exclusively for Vantage, Cardinal and Navigation residents, segregated from a side entrance for use by Signal and Compass residents. The estate also houses StayCity Aparthotel London Heathrow and commercial units on the ground floors of Vantage and Cardinal buildings. This document makes no further comment on these commercial units, not least as there is currently little knowledge of their ownership, and no working relationship between the residential side and the commercial entities in HPV.

By way of a general profile based on empirical observation, residents are first-time home-buyers who are young to middle-aged (aged 25-40), with both singles and young/growing families. Residents include, but are not limited to, essential and general service workers, flightcrew, airport staff, transport and logistics/cargo workers, and staff in flight-related/reliant sectors and ancillary businesses that are currently already heavily impacted by pandemic. The ethnic and national make-up of residents is diverse, reflective of the populace of Hayes and London. There are also a number of apartments that are owned by overseas buy-to-let investors now occupied by renting tenants.

Apart from these tenants and tenants in the social housing building (Compass), all apartments are owned on a leasehold basis. The length of lease varies considerably between private owners (999 years) and shared owners (between 99-125 years depending on extensions). Private ownership property leases include access to on-site facilities i.e. gym and concierge service. [Private and NHG leaseholders are charged unfair escalating ground rents](#),<sup>5</sup> MTVH leases feature a peppercorn ground rent. At least in principle, service charges are differentiated based on: access to aforementioned facilities, size of apartment (1-bed, 2-bed, studio), and assigned parking spaces. Shared owners were sold their properties on the basis of eligibility (e.g. first time buyer, earning below a specified salary) and meeting an affordability test that took into consideration the household income and other financial criteria such as credit rating, debts and savings and living costs. Shared owners looking to sell and move on are bound by restrictive clauses, such as: The housing association has first rights to sell within a nomination period (~8 weeks), after which the leaseholder is allowed to out the property on the open market; The property must be sold at RICS valuation or higher - if the property is sold for lower than valuation, the leaseholder pays the housing association for the difference proportionate to the association's share.

There is increasing recognition of the ways in which [shared ownership are simply 'assured tenancy' leases that leave leaseholders with 'all the liabilities and none of the ownership'](#).<sup>6</sup> There is, for instance, [no relief from forfeiture and draconian lease clauses that severely restrict leaseholder options](#)<sup>7</sup> e.g. having to sell the flat at valuation cost or above, or risking having to pay back the difference to the housing association, which can result in negative equity. In theory, there are no caps to service charge, with vague definitions of affordability open to abuses that can often only be challenged through time-, cost- and labour-intensive tribunal processes. It is worth noting here that [RICS are continuing to value property as unaffected by cladding](#),<sup>8</sup> which compounds the negative implication for shared owners. Even minor changes to an apartment can incur costs or risk forfeiture under shared ownership arrangements e.g. changing flooring, which requires MTVH's permission, with an administrative cost for permission charged to the requesting leaseholder. Shared ownership therefore presents unique problems that compound the detriments of the cladding and building safety scandal.

Ballymore Group is an international property development company based in Ireland, with a portfolio of over ten high-profile residential developments across London. The [company reported profits of £176.3m in the 12 months ending March 2018](#).<sup>9</sup> Ballymore Asset Management Limited (BAML) is instructed by Ballymore Hayes Limited (BHL) to manage High Point Village. BHL and BAML are two separate entities within the same Ballymore Group. One concern expressed by some leaseholders in this regard is to do with whether leaseholders are securing the best possible outcomes from the Ballymore-appointed Asset Management Company given the developer and freeholder are part of the same group, or if an alternative managing agent chosen by leaseholders would deliver better management and cost results.

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<sup>4</sup> <https://www.theguardian.com/society/2013/oct/22/unsocial-housing-gates-within-gates>

<sup>5</sup> <https://www.haroldbenjamin.com/site/blog/harold-benjamin-blog/government-to-reform-ground-rent-in-leasehold-property-market>

<sup>6</sup> <https://www.leaseholdknowledge.com/shared-ownership-a-misnomer-that-can-be-worse-than-renting-and-worse-than-leasehold-says-solicitor/>

<sup>7</sup> <https://www.thetimes.co.uk/article/shared-ownership-scandal-dbl3bfj8f>

<sup>8</sup> <https://www.insidehousing.co.uk/news/help-to-buy-leaseholders-can-only-sell-homes-with-cladding-at-unaffected-market-value-68534>

<sup>9</sup> <https://www.irishtimes.com/business/construction/profits-down-30-at-ballymore-properties-ltd-1.3747244>

Notting Hill-Genesis Housing Association (NHG) provides over 66,000 homes across London and the South-East of England. [A pre-tax surplus of £98.1m was reported in their 2019/20 annual report.](#)<sup>10</sup> They are responsible for 60 shared ownership apartments in Vantage building. Metropolitan-Thames Valley Housing Association (MTVH) provides housing across a range of levels across London, the South East, East Midlands and East of England. [MTVH reported in 2019 an annual turnover of £411 million and a surplus of £6m after tax.](#)<sup>11</sup> They are responsible for Compass and Signal buildings.

**2.2.1. Cardinal, Navigation, Vantage Buildings (Ballymore):** The private residential ownership in HPV covers 378 apartments across the Cardinal, Navigation and Vantage buildings, completed in 2011/2012 and under the direct care of Ballymore. An unknown but significant number of these apartments are investment properties owned by overseas investors, bought to let and are occupied by renting tenants. Part of the significance of these buy-to-let properties emerge as negative impacts on resident-led initiatives e.g. to set up a formally recognised resident's association. Organisation and representation has been hindered by absent leaseholders and the reticence of renters to become involved. A non-recognised residents' association, High Point Village Residents' Association (HPVRA) has been in operation since 2013 and is gaining membership momentum in the wake of cladding and fire safety issues. A generally poor relationship between Ballymore and residents is reported by the RA, and this is largely due to escalating service charges, multiple maintenance issues, and perceptions of a lack of accountability, transparency and ethics of after-sales care by Ballymore.

**2.2.2. Vantage Building (Notting Hill-Genesis):** There are 60 shared ownership scheme apartments under the care of Notting Hill-Genesis, some of which have been 'stair-cased' to 100%. The 100% leaseholders no longer maintain a contractual relationship with NHG, since the head leaseholder/freeholder of Vantage building is Ballymore. For the remaining shared owners, NHG appears to pass on expenses from Ballymore without clarification or checks, acting as an ineffective filter between the Ballymore and residents. Any work done behind the scenes that might counter this perception has not been communicated to leaseholders. To exacerbate the poor relationship, Vantage shared owners have suffered from a high turnover of NHG staff, particularly of their property management officer, with three changes in a previous year. This has resulted in a lack of continuity and organisation. Leaseholders have also faced deficient communications from NHG and frequently rely on second-hand information shared by private owners.

**2.2.3. Signal Building (Metropolitan-Thames Valley):** Signal building was originally a shared ownership building under the affordable housing scheme. It now has mixed tenancy, with some residents stair-cased to 100%, others still on the shared scheme with shares from 25% upwards. Some of the 100% owners are renting their apartments to tenants, and these full owners maintain a contractual relationship with MTVH as MTVH is the head leaseholder for Signal building. As head leaseholder, MTVH are responsible for the maintenance and care of the internal and communal areas of the building; but Ballymore remains the building owner and freeholder and thus appear responsible for external wall structures. As with the shared owners of Vantage, Signal residents have historically borne the brunt of poor relations between MTVH and Ballymore: This has manifested in little to no communications to leaseholders, and little accountability with regards the management of Signal. [This is a situation that does not appear unique to Signal and Vantage-NHG, but rather seems common within the shared ownership sector.](#)<sup>12</sup>

Signal has a formally constituted and recognised Residents' Association that has been in operation since March 2016. Based on a decade of collective experience, the RA formed the opinion that MTVH are powerless and ineffective in working with Ballymore: There is little tangible evidence of a functional relationship between the two parties, leading MTVH to frequently fail to represent and protect residents' interests. MTVH have acknowledged these failings, and have recognised that their dysfunctional relationship with Ballymore is part of the problem, but not the sole reason for poor service, given their independent failures particularly in terms of poor communication and engagement. Promises by MTVH to do better on these fronts have yet to translate to action. This raises questions around MTVH's purpose and role, not least since Signal residents pay both an MTVH management fee and Ballymore through the service charge. A motion of no confidence in MTVH was passed unanimously at Signal RA's AGM on 23 July 2020, to reflect a decade of

<sup>10</sup>[https://www.nhg.org.uk/news/news/press-releases/annual-report-and-financial-statements-for-201920/#:~:text=Notting%20Hill%20Genesis%20\(NHG\)%20has,managed%20to%20more%20than%2066%2C000](https://www.nhg.org.uk/news/news/press-releases/annual-report-and-financial-statements-for-201920/#:~:text=Notting%20Hill%20Genesis%20(NHG)%20has,managed%20to%20more%20than%2066%2C000).

<sup>11</sup><https://www.mtvh.co.uk/wp-content/uploads/2020/08/MTVH-Annual-Report-2019-20-DPS.pdf>

<sup>12</sup><https://www.thetimes.co.uk/article/shared-ownership-scandal-dbl3bfj8f>

deteriorating relationships and high levels of mistrust between MTVH and residents, and to underscore that Signal RA will hold MTVH accountable for problems arising from non-action on building safety issues.

**2.2.4. Compass Building (MTVH/London Borough of Hillingdon):** Compass building consists of 88 flats of social housing under the care of MTVH. There are salient concerns over the fire safety of the building due to the large amount of timber cladding present on the building (see 3.1 for details on the EWS1 survey results for HPV buildings). This raises questions over the duty of care MTVH and London Borough Of Hillingdon owe to Compass residents, and with regards impacts of remediation plans e.g. if residents may have to be decanted. There are also questions around responsibility for remediation costs i.e. if the burden falls on social housing tenants who pay a service charge to MTVH or if MTVH or the council are responsible for potential remediation costs. Further information and specificities regarding Compass are not immediately available: There is little communication and few active links between Compass and the rest of the development, and MTVH does not share any details regarding Compass with Signal RA.

**2.2.5. Renters throughout:** The numbers of renting tenants and sub-letters living in HPV is not currently known. Renters may have the option of exiting their tenancy arrangements. A [recent report suggests that landlords may be looking to recover costs of remediation by increasing rent](#),<sup>13</sup> which could in turn impact rent prices particularly in areas where mid- and high-rise apartments are more common.

**2.3. Historic problems in HPV:** This section provides detail on the known historic problems that have been identified across HPV and experienced by residents. These issues fall under two broad categories - service and service charge-related issues, and recurrent construction- and design-related issues. A resident sums the problems up:

*"I am a leaseholder in a so-called affordable housing unit, which is part of a private estate. I say so-called because since moving in 6 years ago my service charge which was already high to start with, has doubled. This service charge consists of mainly management charges, four different types and the service that I and my neighbours receive is inadequate, unprofessional and incompetent. This is what unfortunately we have to deal with, in a first world country that still has a feudal system called leasehold. We have formed a resident association to try and tackle the rising service charges and the many problems we have to face every day in the estate because of poor quality building materials and management, but it is a thankless and mostly fruitless exercise, because of the current legislation."* Signal full owner MTVH

**2.3.1.a. Poor value for high service charge:** Leaseholders in HPV have faced rapidly increasing service charges over the last decade, with little tangible evidence of commensurate change in levels of service provided by Ballymore and the housing associations. Where the service charge has increased steadily, the development has suffered from noticeably declining estate conditions and a frequent issuing of Section 20b notices that delay scrutiny of accounts, with service charges being based on estimates rather than actual spend:

*"Back in 2013 my service charge was £3,212 per annum for a 2-bed apartment. This includes the gym, concierge facilities and parking. Even back then this was not cheap. Roll on 8 years and we've had huge increases and this year's budget is £5164. I now have to save £450 a month to pay this along with the £250 a year ground rent. This is very much like a second mortgage that has been forced upon me."* Navigation private

*"I was told my service charge was estimated around £253 per month and subject to change. 8 years later I am setting aside £349 per month to meet the service charge. This is without parking, concierge and gym access. Ballymore have failed to deliver end of year accounts on time. For example, the 2017 Finalised Accounts were signed off on 16 March 2020, printed to paper on 4 May 2020, posted 5 May 2020. I received their correspondence on 12 May 2020 which gave me 6 days to pay. BAML later conceded that [a part of the charge] is not payable by leaseholders. After weeks of chasing, I got my refund on 8 September 2020."* Vantage private

*"The service charge is sky-high, unexplained and questionable... and there is a lack of transparency and accountability. It also doesn't help that the account headings are changing all the time and it is hard to follow*

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<sup>13</sup><https://www.telegraph.co.uk/property/uk/tenants-face-higher-rents-landlords-caught-cladding-crisis/>

*expenditure year-on-year if there is no consistency... Residents having to spend their own free time (many, many, many hours!) to make sense of Ballymore's accounting is totally unacceptable. Residents would need to employ their own accountants to follow what Ballymore are paid to do in the first place. My suspicion is: this is either done by utter company incompetence (which is bad) or it is done on purpose (which is much worse) as it implies that accounting is made so difficult to make it very hard, time-consuming and expensive for any residents to follow year after year, so Ballymore can do what they like..." Vantage shared NHG*

MTVH have consistently struggled to hold Ballymore to account over this process. There have previously been billing discrepancies that have had to be challenged and settled by Signal residents. HPVRA members have similarly had to take considerable time, labour and persistence to obtain financial details:

*"I visited the head office with our Resident Association Chairman... to inspect the 2017 end of year accounts, which is our right as residents. I wish I could have recorded the meeting. The disrespect and rudeness of [the personnel] who is quite high up in Ballymore was unbelievable. After all the money we spend, we also get treated extremely poorly - as if we are wasting their time. We were told: 'We have more important things to deal with like new buildings, than service charges for an estate that is almost 10 years old!'. This is blatant disregard and shows clearly how little they care about the management of our estate." Navigation private*

*"Leaseholders do not find out about [Ballymore's] spending details until several years later when the accounts are finally released. For example, when we went through the accounts, we found that in 2017, Ballymore spent £2,375 on two Christmas trees. This included £700 for delivery and decorating, and rental of decorations, stand etc. I would consider this an abuse of service charge." Navigation private*

The cost of insurance for HPV has more than doubled in the last 6 years. HPVRA requested and obtained information on the insurance and commissions being paid. As per information seen by HPVRA below, Ballymore received approximately 12.5% in commission in 2020, the broker received further 9%. One concern that emerges from this is that Ballymore has no incentive to shop around for insurance as it benefits directly from a higher insurance premium.

Policy Period	Underlying Inception Premium ex Insurance Premium Tax (IPT)	Total Underlying Premium Commission (%/£)	Ballymore Underlying Commission Retention (%/£)	Marsh Underlying Commission Retention (%/£)	Terrorism Inception Premium ex IPT	Total Terrorism Premium Commission (%/£)	Ballymore Terrorism Premium Commission (%/£)	Marsh Terrorism Premium Commission (%/£)	Total commission
2013/14	£58,520.09	25% / £14,630.02	10% / £5,852.01	15% / £8,778.01	£11,820.76	20% / £2,364.15	10% / £1,182.08	10% / £1,182.08	£16,994.17
2014/15	£69,134.56	25% / £17,283.64	10% / £6,913.46	15% / £10,370.18	£13,673.15	20% / £2,734.63	10% / £1,367.32	10% / £1,367.32	£20,018.27
2015/16	£67,103.02	25% / £16,775.76	10% / £6,710.30	15% / £10,065.45	£13,669.18	20% / £2,733.84	10% / £1,366.92	10% / £1,366.92	£19,509.60
2016/17	£79,476.96	25% / £19,869.24	10% / £7,947.70	15% / £11,921.54	£14,154.98	20% / £2,831.00	10% / £1,415.50	10% / £1,415.50	£22,700.24
2017/18	£92,556.74	21.68% / £20,066.30	10% / £9,255.67	11.68% / £10,810.63	£13,511.57	20% / £2,702.31	10% / £1,351.16	10% / £1,351.16	£22,768.61
2018/19	£102,311.79	21.68% / £22,181.20	10.84% / £11,090.60	10.84% / £11,090.60	£14,322.32	20% / £2,864.46	10% / £1,432.23	10% / £1,432.23	£25,045.66
2019/20	£122,941.55	21.68% / £26,653.73	12.75% / £15,675.05	8.93% / £10,978.68	£14,379.18	20% / £2,875.84	10% / £1,437.92	10% / £1,437.92	£29,529.57

**2.3.1.b. Communications deficit:** Given the complexity of tenure and multiplicity of intervening parties with differing contractual relationships, communication across the development and between stakeholders has been deficient at the best of times. There is a perception that Ballymore's communications appear to be dependent on the estate manager and directly involved personnel at the time, being personality-driven rather than a matter of principle, consistency or basic respect accorded for residents. Queries raised historically take repeated and persistent chasing by affected leaseholders for response, and issues requiring active solutions have either taken months/years to address or are ignored altogether:

*"Ballymore does not engage constructively with leaseholders and long-standing issues are never resolved. The property manager changes every three years but there is no improvement in services or efficiencies in the service charge budget." Vantage private*

There are also barriers to intra-resident communications and organising: In addition to the challenges of forming a recognised residents' association in Vantage, Cardinal and Navigation buildings as detailed above, there are further intra-development divisions across the development that have been exacerbated by arguably hostile architecture and estate layout. Compass & Signal residents are segregated from the rest of the development both physically with gates and

fencing (including a poor door entrance) and virtually given exclusion from Ballymore's newsletters and the *b-life* app that shares updates and information for residents. While the rationale in principle for the exclusion is that MTVH is responsible for Compass and Signal, MTVH's failures have frequently meant that residents are kept out of the know of development-wide problems, have to jump over two sets of hurdles with requests, and Signal's RA often finds itself having to step in to fulfil MTVH's knowledge and service gaps.

**2.3.2. Recurrent problems overview:** HPV residents have raised issues with regards to building deficiencies since occupation commenced in 2010. Three recurrent and development-wide issues may be identified: overheating, water outages, and defective windows/panelling. This does not include other problems that are recurrent but less explicit e.g. lack of a fully functioning and suitable disabled access and lift, general access issues, security concerns, recurrent plumbing problems, among others. These secondary issues are not covered further and more information may be supplied on request. A resident summarised the multiple problems they have faced in the decade of living in their HPV apartment:

*"I have been living in my flat for just over 10 years now. I am a shared owner with my housing association and was a first-time buyer in 2010 when I purchased my home. Since then, my neighbours and I have had to deal with a litany of problems caused by poor and sub-standard construction in our development - regular outages of hot water supply and on occasion total loss of water supply, failing disabled lifts, issues with access to our homes, restrictions on movement within our gated development as we were deemed 'social housing'. To add insult to injury, our service charge has more than doubled in the decade we have been living here. This increase in costs has meant I have not been able to afford to 'staircase' to 100% ownership of my home."* Signal shared MTVH

**2.3.2.a. Overheating:** Internal temperatures of apartments in HPV regularly top 32 degrees celsius and are known to stay between 27-30 degree celsius throughout the day and night for several weeks in the summer months. There have also been reports of indoor temperatures as high as 36-37 degree celsius, particularly for west-facing apartments. Residents have raised this matter with Ballymore and their housing associations for over a decade without any consistent or decisive action toward remediation. Residents have reported ill-health coinciding with extreme temperatures e.g. nose-bleeds, fainting spells, exhaustion, constant thirst and dehydration. Extreme indoor temperatures are exacerbated by inadequate ventilation throughout the building, few cost-effective options to install air-conditioning that would meet approval (no outdoor units are allowed), and it appears that little sustained effort has been made to find retrofitted solutions.

**2.3.2.b. Water outages:** Another fundamental structural issue reported by residents relates to hot water and water outages. Between 22 July 2010 and 10 May 2016, Signal Building logged a total of 34 discrete times where either there was a total water outage or outage of hot water. One of these instances was a total water outage across Signal and Compass for 36 hours in 2013, during which Ballymore and MTVH failed to respond with urgency or respect for residents. While the frequency of hot water outages appear to have reduced and the response time for action to fix these issues have improved tangibly, there is some evidence from cross-development conversation to suggest problems with water systems are not unique to HPV, with other developments being worse affected. By way of a recent example, [Ballymore's Pan Peninsula development suffered a six-week hot water outage in August-September 2020 due to pipe fractures and leaks, with residents having to share a handful of communal showers in the midst of the Covid-19 pandemic](#).<sup>14</sup>

**2.3.2.c. Window and glass panelling defects:** Leaking windows in Signal building apartments were first reported in February 2010. For leaseholders persistent with their requests for a fix, remediation work was only completed in October 2019. Reports of leaking windows continue from other apartments as at October 2020. Residents across the development have also reported large cracks appearing in their windows and balcony glass panelling shattering, with little evidence to suggest these defects were caused by impact or misuse, indicating potential structural or material flaws. In Signal, rather than working with Ballymore to investigate and rectify this known problem affecting multiple apartments, MTVH advised leaseholders to fix independently and claim on the building insurance policy.

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<sup>14</sup><https://www.insidehousing.co.uk/news/news/residents-raise-covid-19-concerns-after-being-offered-showers-to-share-following-piping-failures-in-38-storey-london-block-67562>

**3.1. Cladding and External Wall Survey 1 (EWS1):** This section relates to [Advice Note 14, consolidated by the government in December 2019](#).<sup>15</sup> It provides an overview of challenges emerging with the introduction of the advice note, and locates HPV residents' concerns within this context.

New stipulations (Advice Note 14) consider both ACM (Grenfell-type) and non-ACM flammable cladding e.g. certain types of timber, glass. It is unlikely that buildings within HPV have ACM cladding: In the months after Grenfell in 2017, HPV residents received written assurances from Ballymore and the housing associations that buildings in the development were safe. Following the consolidation of Advice Note 14 in 2020, RICS (Royal Institution of Chartered Surveyors) created EWS1 in an attempt to simplify and make consistent compliance determination. Ballymore secured the services of Tri Fire Limited to carry out the external inspection required for the first phase of EWS1 certification. One resident explained the process and wait for results from their experience:

*"[There was] no communication from the Ballymore team both from head office or cladding group about where the certificate was. Days and weeks went passed and although there were about 10-15 residents emailing daily for responses, Ballymore would only respond to a single resident, not updating any others. Around mid-end July 2020, I emailed them saying I have had enough of being blatantly ignored as my whole future was in doubt due to this certificate. I informed them that if I had no reply, I would just go down to head office. Which is what I did, only to be told nobody was expecting me; even though I called and emailed almost a week in advance. The receptionist staff were clearly trained to avoid any form of questions and tried getting rid of me as soon as possible... We received the results around mid-August. 1.5 months late with no excuse or communication, which was an extremely stressful situation in itself."* Navigation private

This lack of communication regarding the EWS1 and cladding is mirrored by MTVH (who had to be pushed into action by Signal RA) and NHG (who are still lagging in communications to residents). While the survey and certification are provided for each of the five residential buildings on the estate, all buildings have been found to have failed the fire safety assessment and given a B2 rating (3 August 2020). [This is unsurprising given the high rates of failure reported by buildings that have obtained the EWS1 form: As at the beginning of August 2020, of 512 sites, 90% of all buildings surveyed received either B2 or A3 ratings. 86% of those were B2 rated](#),<sup>16</sup> necessitating immediate measures such as waking watch. It is also unsurprising given that the EWS1 may be characterised as a blunt instrument that does little to nuance risk: A building requiring intensive remediation of flammable insulation and removal of most cladding may be given the same B2 rating as a building with some unprotected flammable cladding present.

There are three key issues identified across the residential buildings in HPV: wooden decking on the balconies, non-ACM timber cladding, and a limited amount of flammable insulation unprotected by fire-retardant materials in some parts. Most, but not all, apartments across Navigation, Vantage, Cardinal and Signal have balconies with wooden decking and limited amounts of timber cladding. Compass building appears heavily timber clad, more so than any of the other residential buildings on the development, but there are no balconies. An unquantified factor for residents is the flammable insulation: *"In other areas, [the flammable] insulation is used in larger quantities or is not sandwiched [by fire-retardant material]. In these areas, the fire engineer has recommended that this insulation be replaced with an alternative material. Sometimes the insulation may be able to be replaced by itself, and sometimes it may require replacement of the structure or system it is integrated with"*. Residents have not been advised on the prevalence and location of this unprotected flammable insulation requiring (presumably intrusive and specialist) remediation. There appears to be a waking watch programme put in place in HPV by Ballymore, that has been operating for ~2 years. At least for Signal and Compass, MTVH who had no prior knowledge confirmed on 26 October 2018 that no costs were being passed on for this service.

**3.2. EWS1 surveys:** Where the EWS1 has become mandatory for lending, buying, selling, remortgaging and potentially insurance for buildings above 18m and has now also been applied to mid-rise buildings above 11m, much of the aforementioned activities have effectively ground to a halt. While the situation is evolving and the full scale of the

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<sup>15</sup><https://www.gov.uk/government/publications/building-safety-advice-for-building-owners-including-fire-doors>

<sup>16</sup><https://www.leaseholdknowledge.com/lkp-survey-of-ews1-shows-that-90-of-cladding-sites-do-need-remediation/>

problem is not yet fully known, [estimates suggest that up to 3.6 million leaseholders across England, particularly in Manchester, London and Birmingham, are already trapped](#) by EWS1 requirements and the cladding scandal.<sup>17</sup>

This situation is in part due to the lack of qualified and insured Chartered Fire Engineers to undertake the required surveys: [There are fewer than 300 qualified persons across the country](#).<sup>18</sup> This could mean that a large number of buildings would not be inspected for many years. Where there have been petitions for the government to reconsider the indiscriminate use of the EWS1 particularly for buildings under 18m, [the government's response has been that the EWS1 is an industry form and that they do not encourage the blanket use of this form](#).<sup>19</sup> RICS who are responsible for the creation of the EWS1 form and subsequent sector logjam have indicated [forthcoming changes to the process toward risk matrix assessments that may free leaseholders in buildings under 18m height](#).<sup>20</sup> There is however mounting evidence that serious safety defects are not limited to high-rise buildings, being instead potentially ubiquitous across UK due to construction regulation and practices over the recent decades, with e.g. [buildings of substantial risk requiring evacuation](#),<sup>21</sup> [reports of newly-built houses lacking fire breaks](#)<sup>22</sup> and [fears over the safety of commonly-used insulation material emerging from revelations at the ongoing Grenfell inquiry](#).<sup>23</sup> [Worcester Park, a MTVH-managed and Berkley Group-built site, was four storeys high and decimated in a fire in 2019: While investigations are ongoing, it appears that inadequate fire barriers are among the reasons for the fire](#).<sup>24</sup>

Where the necessary services and qualified engineers can be secured, [surveys are typically expensive](#),<sup>25</sup> with leaseholders in other developments reporting anecdotally that costs are being passed on to them through their service charges even when no fire safety defects are found. It is not yet known if the cost of surveys carried out by Tri Fire Limited for HPV will be borne by leaseholders. To compound the multiple issues around the EWS1 survey, there are now known and verified instances of [fraudulent EWS1 forms being signed off by scammers, with leaseholders in affected developments paying](#) for what they believed to be genuine inspections.<sup>26</sup>

**3.3. Impacts on buying and selling, remortgaging:** Lenders across the country have been rejecting or cancelling mortgage applications due to outstanding or delayed cladding inspections. For the residents of buildings such as those in HPV, even where there is an EWS1, given the high rates of failure, borrowers remain trapped with their current providers, [sellers are trapped in their current situations with £0 holding valuations on their properties, and owners looking to remortgage find themselves having to take on higher interest variable rate mortgages](#).<sup>27</sup> Several HPV leaseholders shared their ongoing experiences with being unable to sell and sales falling through:

*"I needed to move out closer to my family in Wales so I needed to sell my flat to be able to afford the newer house... I personally suggested keeping money in a pot (like a retainer) so that when the works are carried out and are charged to the new leaseholder, they can use my money and not be put at risk. My buyer had agreed to this but unfortunately as soon as he went for the mortgage to be approved it was declined by the lender. The issue was there is no idea what these costs could be... "I [had to] put the flat up for sale a second time [after the first fell through]. It's looking like the only way to sell the flat is via a cash buyer and with Covid and in this day and age a cash buyer I think is rare. We found a second buyer who also had a rather large deposit and was required to lend only a small amount but as soon as I informed them about the cladding situation they also spoke with their lender and the mortgage got denied leaving us completely stuck."* Navigation private

<sup>17</sup><https://www.thetimes.co.uk/article/hidden-housing-scandal-campaign-safe-homes-for-all-v65h9pcv1>

<sup>18</sup><https://www.thefpa.co.uk/news/fewer-than-300-fire-engineers-for-ews1-inspections>

<sup>19</sup><https://petition.parliament.uk/petitions/328201>

<sup>20</sup><https://www.thefpa.co.uk/news/ews1-form-being-reviewed-by-rics>

<sup>21</sup><https://www.thetimes.co.uk/article/families-told-to-flee-1-000-flats-at-paragon-complex-over-fire-danger-kffmt6vc2>

<sup>22</sup><https://www.bbc.co.uk/news/business-48113301>

<sup>23</sup><https://www.insidehousing.co.uk/news/news/kingspan-withdraws-insulation-fire-test-admitting-it-is-not-representative-of-product-on-market-for-15-years-68461>

<sup>24</sup><https://www.thetimes.co.uk/article/after-grenfell-why-did-fire-destroy-flats-at-worcester-park-last-year-rg5h0zmsk>

<sup>25</sup><https://oliverfisher.co.uk/what-is-the-ews1-form-how-much-does-it-cost-how-long-does-it-take-and-why-do-i-need-it/>

<sup>26</sup><https://www.lbc.co.uk/hot-topics/cladding-crisis/forged-cladding-safety-certificates-ews1-form/>

<sup>27</sup><https://www.bbc.co.uk/news/stories-51412328>

*"I have tried to unsuccessfully sell my flat and escape this leasehold nightmare, but potential buyers require a substantial discount to reflect the cladding risk at High Point Village. I received an offer which was £50k less than the purchase price, which erodes all my equity in the flat. This offer was also contingent on the purchaser being able to get a mortgage. No lender will lend on a B2 rating. The property is unsellable and un-mortgageable."* Cardinal private

*"I have 100% ownership of my flat and have been trying to sell it for the past year. We had very little interest from any prospective buyers and we have tried two different estate agents. We have also contacted various brokers and banks to remortgage as 'buy to let', but no broker or bank are interested unless we can produce an EWS1 form. We feel stuck with no real option to get out of this situation."* Signal full owner MTVH

Shared ownership compounds the already stressful situation. It is little surprise that leaseholders in shared ownership housing are now finding few alternative options that do not make the bad situation worse, [not least since RICS valuations bafflingly do not take into account dangerous cladding and building defects](#).<sup>28</sup>

*"I am currently in a property that is deemed to require remedial action. It is valued at £0 for mortgage purposes. No lender will lend against the property knowing the risks. I have one other option as a shared ownership 'owner' through Notting Hill-Genesis - I have permission to rent out my property for 12 months and they have given stringent conditions to be met in order to rent the property out and that's if my mortgage lender also gives permission under their mortgage terms."* Vantage shared NHG

*"I have been trying to sell my flat since July. After no offers during the 8-week nomination period, I asked for a revaluation due to the B2 rating, ahead of trying to sell on the open market. The RICS surveyor insisted the pre-EWS1 valuation was still valid. My only option in the current market is to look for a cash offer. The few companies that are willing to even consider these shared apartments offer about 20% below market value. This means I would have to pay MTVH the difference between any sale figure and the RICS value for their 60% share. This would mean I need to give MTVH £30k+ from my own share in order to make up the difference, leaving me in negative equity after settling the mortgage. The whole set-up is predatory, unjust and reflects the abject failure of this state when it comes to housing and leaseholder protection."* Signal shared MTVH

Where shared owners were previously not allowed to sublet, MTVH and NHG have now confirmed subletting may be permitted with the view to selling, and with varying caveats e.g. maximum period of 12 months, and administrative costs due to the housing associations. It is however worth considering here the [legal and moral issues arising out of renting and subletting residences that have failed the external wall safety tests or that have known fire safety risks](#).<sup>29</sup>

[Echoing the experiences of affected leaseholders across the country](#),<sup>30</sup> several HPV residents shared that the inability to move on with their lives as planned and or as needed due to overgrowing the limited space of their apartments has meant, among other things, loss of opportunities and feelings of being stuck, trapped and in limbo:

*"The cladding issue has a huge impact on my family. We have a growing family and we need to move to provide adequate space for them. We were relying on the equity from the sale of this flat to help towards paying for adequately sized home now we cannot not sell so we are stuck here."* Signal shared MTVH

*"I purchased my property in late 2012 through a shared ownership scheme (40%). This was the only way I could afford to buy a property. The flat was close to work, secure and although not huge was big enough for me and suited my needs at the time. Fast forward to 2017, this was now home to me, my husband and our baby boy. We decided that we were outgrowing the flat but figured that we still had a couple of years before we would need to move into a bigger place... While awaiting the EWS1 certification, it became difficult to remortgage and sell."*

<sup>28</sup><https://www.insidehousing.co.uk/news/news/help-to-buy-leaseholders-can-only-sell-homes-with-cladding-at-unaffected-market-value-68534>

<sup>29</sup><https://www.telegraph.co.uk/property/uk/dont-want-landlord-cladding-woes-force-owners-rent-properties/>

<sup>30</sup><https://www.bbc.co.uk/news/business-50375522>

*Earlier this year we were dealt another blow - like many others, our flat had not received the certification it needed." Vantage shared NHG*

*"I currently live in a 1-bed flat at Highpoint Village with my husband and 16-month old son and we'd been hoping to buy a house as we really do need some more space... the cladding has put a real spanner in the works and we've been left in limbo waiting and wondering how the remedial works will be paid for, when it will happen and how long it will take." Vantage shared NHG*

*"I lost my job in 2020. Secured a new job after several months unemployed. In real terms I have taken a 40% pay cut. Plans to pay off my mortgage as early as possible, secure a lease extension, planning for retirement and savings all affected. With cladding costs on the horizon, I just don't know how I will be able to meet these costs. Service charges are already unaffordable. I can't sell and if I do my service charge is deterring potential buyers and affecting the price of the flat. Financial advisors are flabbergasted when I tell them where I live and how much the service charge is and now, we have timber cladding, balconies and combustible material issues. Feeling Trapped." Vantage private*

While there have been efforts to downplay the growing urgency of the situation with claims that the above challenges are temporary and lenders may be willing to lend once there is a remediation plan in place and it can be shown that associated costs will not be passed on to future buyers, it is worth considering emerging examples being [reported that even with remediation completed, lenders are still refusing mortgages on these properties](#).<sup>31</sup> Anecdotally from leaseholders in other buildings, lenders are reluctant to lend even on apartments signed off as safe (A1) on the EWS1. Current lack of urgent, decisive and joined-up pathways to fixing the cladding scandal may thus be rendering a sizable part of the UK's housing stock at the lower rungs toxic assets, creating the risk of ghettoisation.

**3.4. Non-ACM remediation funding:** The government has committed a pot of £1bn for remediation of flammable non-ACM cladding. Application for this first-come-first-served Building Safety Fund (open between 1 June and 31<sup>st</sup> July 2020) does not support leaseholders looking to recoup costs of remediation work already undertaken before 11 March 2020 (e.g. Skyline Central), does not cover the cost of survey and [has not been made available to housing associations](#).<sup>32</sup> Remediation of flammable balconies will not be covered by the fund: Defective balconies are emerging as a more common flaw across tested buildings resulting in B2 ratings, including in HPV where the timber decking material on balconies is now banned. While the terms of funding are not immediately clear, it also appears that inadequate fire breaks and cavity barriers will not be covered by the fund, if these are not related to identified cladding and insulation problems.

[There has also been a lack of clarity as to which parties precisely are responsible for application of funding under complex tenancy arrangements](#),<sup>33</sup> and not all developers are eligible to apply for the funding based on the requirement of financial viability. Applications to the fund also appear bound to a time schedule (i.e. it must be shown that work will begin by March 2021), an increasingly unrealistic requirement given the current pandemic and increased demand for specialist external wall remediation experts. This fund is the only current alleviation. It is unlikely that even successful funding will cover full remediation bills, but will instead subsidise costs so that leaseholders will not see extortionate bills as have been reported previously and continue to emerge at other developments where remediation works are at the stage of tender.

While the provision of £1.6bn of central funds for remediating both ACM (£0.6bn) and non-ACM cladding (£1bn) has been widely and repeatedly touted by the government, the reality is that the [£1bn fund falls far short](#) of estimations of what it might take to remediate buildings with non-ACM cladding,<sup>34</sup> in part since the scale of this particular problem is not yet fully known. It is unclear what will happen in the case of buildings found to have flammable non-ACM cladding where a funding application is not successful, or if funding has not been applied for (either due to inaction or ineligibility). [As per the first set of data released by the Ministry of Housing, Communities and Local Government \(MHCLG\) in late](#)

<sup>31</sup><https://www.telegraph.co.uk/property/uk/cladding-gone-still-cant-sell-homeowners-stuck-despite-buildings/>

<sup>32</sup><https://www.insidehousing.co.uk/news/news/social-landlord-applications-still-to-be-added-to-oversubscribed-cladding-safety-fund-68155>

<sup>33</sup><http://researchbriefings.files.parliament.uk/documents/CBP-8244/CBP-8244.pdf>

<sup>34</sup><https://www.insidehousing.co.uk/news/news/governments-1bn-building-safety-fund-not-enough-mps-told-66547>

[September 2020, of a total of 2,784 applications received, 1,709 did not have the basic information to assess eligibility, 628 provided did not provide sufficient information for assessment, and 447 were still being assessed. 73 applications had been rejected and withdrawn. Only 65 buildings had been granted funding approval.](#)<sup>35</sup>

Ballymore confirmed on 28 July 2020 that they applied for government funding for non-ACM cladding remediation for HPV. The status of their application is not known at time of writing. The uncertainty and unfairness of the funding application system put in place by the government is not lost on HPV residents:

*"Although the government has launched a 'Building Safety Fund' it is only available on a first come first served basis. It is a lottery. The number of buildings that require remediation has been estimated close to 3,000. The building safety fund will only cover circa 600 buildings. It will not cover timber decking or the cost of intrusive surveys."* Cardinal private

Responsibilities for EWS1 survey and remediation were and remain somewhat unclear with regards to Signal Building due to the relationship between MTVH as head leaseholder and Ballymore as building owner/freeholder. MTVH did not respond for ~6 weeks to emails on the subject, apart from saying that they have passed the email to their property directorate department (first email 1 June 2020, communications commenced properly on 24 July 2020). To mitigate MTVH's poor communication and apparent inaction, leaseholders stepped in to complete and submit the [form aimed for those concerned that their building managers are not taking action toward remediation and minimising costs passed on](#).<sup>36</sup> After sustained efforts by residents, the Signal RA chair managed to obtain independent clarification from Ballymore that Signal Building had been included in its funding application for potential remediation works (24 July 2020). A response was also received from MTVH that they "... have requested the detailed reports that form the basis for the production of the EWS1. In terms of cost where possible we would be seeking for Ballymore to absorb these or absorb or mitigate costs, either through building warranties, building safety fund or self-funding.... We need to (see) the detailed reports in order to understand the cause of the non-compliance. We believe there is an opportunity to consider the design and remediation of the high indoor air temperatures and the fire safety works together and we have suggested this to Ballymore..." (16 September 2020). Signal RA also sought from Ballymore's cladding team a copy of the underlying survey report from the EWS1 process (21 September 2020). After an initial response from the cladding team that the response was logged with their technical team for further action and a further follow-up enquiry from Signal RA on 22 October 2020, there has been no consequent response. MTVH has indicated that they too are awaiting this information from Ballymore.

**3.5. Cladding remediation and cost responsibilities:** There is now wide coverage to evidence that leaseholders are already or will soon face potentially very large bills to remediate building defects they are not responsible for. By way of example, leaseholders in [Birmingham and Manchester have reported £70,000 - 115,000 bills each](#).<sup>37</sup> In early 2019, Ballymore's New Providence Wharf residents were facing between £2,000 – 13,000 per flat for remediation of ACM cladding (new estimates from recent tender are much higher). Reporting states that [Ballymore claimed 'no legal basis' for them to pay, but offered to pay 20% of the overall re-cladding costs \(capped at £500,000\) as a 'goodwill gesture'; and offered residents interest-free loans. Ballymore also threatened to rescind their offer and charge interest on loans if any resident threatened legal action](#).<sup>38</sup> Ballymore's position on cost responsibility if the funding application for HPV is not successful is not immediately clear. When pressed on whether remediation costs would fall in whole or part on Signal residents, MTVH would only advise: "*Where feasible we seek to recover costs from others...*" (16 September 2020). NHG's position on cost responsibility is not currently known. Ballymore's punitive position on lease terms and previous record on recovering costs from leaseholders for remediation are however of great concern to HPV residents:

*"The reality is we are trapped and while we await the decision on when the remedial works will happen, we are also awaiting the decision on who will foot the bill... Out of sheer desperation, I have even considered not paying my mortgage so that the bank repossesses the property. But the fear that we will get the cladding bill for the works before they repossess and we end up homeless means even that isn't an option."* Vantage shared NHG

<sup>35</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/925382/BSF\\_registration\\_stats.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/925382/BSF_registration_stats.pdf)

<sup>36</sup><https://www.research.net/r/leaseholderform>

<sup>37</sup><https://www.theguardian.com/money/2020/jul/17/leaseholders-billed-up-to-115000-each-to-remove-grenfell-style-cladding>

<sup>38</sup><https://www.insidehousing.co.uk/news/news/residents-given-ultimatum-by-developer-over-24m-cladding-bill-60153>

Many MPS and councillors across the bench, including successive Secretaries of State for Housing, Communities and Local Government and the incumbent Rt Hon Robert Jenrick MP, have acknowledged [the ‘appalling situation’ and questionable morality of holding innocent leaseholders financially responsible for the situation not of their making](#).<sup>39</sup> At the time of writing however, there appears to be little legal recourse to stop costs being passed on to leaseholders and multiple [failed court cases brought on by leaseholders have reinforced binding lease terms](#).<sup>40</sup> Where the government’s chosen tactic over the past three years appears to be to ask developers ‘to do the right thing’, the figures for remediation and cost burdens are not promising and have been elusive with regards remediation of buildings with dangerous non-ACM cladding and features. Where the focus of government has overwhelmingly been on ACM cladding remediation, ACM-clad buildings represent a small percentage of buildings facing non-ACM cladding and other fire safety defects. To compound the uncertainty and grave concerns of leaseholders, while former ministers Sajid Javid, James Brokenshire and former prime minister Theresa May said that leaseholders should not pay for the mistakes of others, the incumbent Minister for Building Safety and Communities, Lord Stephen Greenhalgh, recently u-turned on this, saying that [leaseholders would have to pay but there would be efforts to ensure costs are “affordable”](#).<sup>41</sup>

The following experience shared by a resident exemplifies the already high costs of living in HPV, what ‘affordability’ would mean with a cladding remediation bill, and highlights a lesser considered issue of what happens to EU citizens who find themselves stuck in blighted apartments with few exit options:

*"I entered a shared ownership agreement with Notting Hill in 2012. At the time I lived there with my husband and two of my children. In 2015, my company began the process of transferring me to a different office, outside of the UK. I moved shortly after with my youngest daughter; my son found work out of the country as well at this time. The apartment has been used very sporadically since then, usually only a handful of days a year. I inquired into renting out the apartment to make it more cost-manageable, but was informed this was not possible under the shared ownership scheme. I've kept up with all payments and maintenance charges since then, initially with the assumption that I would soon return from my assignment abroad. It has been a significant financial burden however, especially now that I am trying to set aside money for my retirement. These costs amount to around £15,000 p.a. for me, which is not money I can afford to throw away. Paying out of pocket for the cladding replacement would be financially devastating for me... This becomes especially urgent considering the status of my family: as we are not British citizens, we relied on EU freedom of movement to live and work in the UK. I am the only one in our family that has been granted indefinite leave to remain. Not only do we not have any use for this apartment, we won't be able to use it at all once the transition period is over. I fear this will become a financial black hole for us, as will still be responsible for payments and maintenance charges, without the possibility of renting it out, without the possibility of selling it on to somebody else, and without the possibility of having us move back to the UK to earn money locally."* Vantage shared NHG

**3.6. Insurance costs:** As a direct consequence of the EWS1 process, [affected high-rise residential buildings have seen astronomical increases in their building insurance premiums](#).<sup>42</sup> [Increases of 775-1000% \(over 11 times the original costs\) have been reported as insurance companies re-evaluate the risk of insuring buildings with fire risks](#).<sup>43</sup> [These costs are also falling on to leaseholders](#).<sup>44</sup> The insurance implications of HPV’s EWS1 rating for leaseholders are unknown at this time.

**3.7. Time pressures:** It is estimated that at the current rate [remediation of affected buildings could take up to 150 years](#).<sup>45</sup> The current uncertainty around remediation timescales, exacerbated by the pandemic, interact with the leasehold system in ways that are far-reaching and detrimental: For example, where several leaseholders in Signal now have leases at ~86

<sup>39</sup><https://www.insidehousing.co.uk/news/news/jenrick-hints-at-more-funding-for-leaseholders-affected-by-cladding-scandal-68096>

<sup>40</sup><https://www.clarionsolicitors.com/articles/recent-court-case-clarifies-liability-for-cost-of-remedial-work-to-grenfell-style-cladding>

<sup>41</sup><https://www.insidehousing.co.uk/home/home/building-safety-minister-criticised-after-he-says-leaseholders-will-have-to-pay-some-cladding-costs-68249>

<sup>42</sup><https://www.bbc.co.uk/news/av/business-54839539>

<sup>43</sup> <https://www.thefpa.co.uk/news/insurance-premiums-continue-to-rise-for-cladding-residents>

<sup>44</sup><https://www.bbc.co.uk/news/uk-england-birmingham-52443067>

<sup>45</sup><https://www.theguardian.com/society/2020/oct/08/post-grenfell-cladding-work-could-take-until-2029-at-current-rate-says-labour>

years, in order to extend leases to maintain saleability, leaseholders are looking at [considerable expense and premiums to exercise this right](#).<sup>46</sup> The high number of buildings over 18m failing the EWS1 is also likely to mean remediation backlog due to increased demand for qualified personnel, which could result in higher costs and potentially exacerbate the unsafe construction culture where safety is overlooked and corners are cut to meet e.g. the Building Safety Fund deadlines. This could also be exacerbated by added pressure as public and commercial buildings and other types of property start to be assessed for safety compliance. Additionally, EWS1 certification is valid only for 5 years: EWS1 thus represents a recurring cost likely to be passed on to leaseholders, will add pressure to an already slow and ineffective process, and will likely further erode the value and attractiveness of mid- and high-rise apartments across the country.

**3.8. Deteriorating mental health and well-being:** The cladding scandal has taken not just a financial but heavy mental and well-being toll on residents. A [survey of 550 leaseholders by the UK Cladding Action Group \(UKCAG\) reports](#) that 14.5% of affected leaseholders have contemplated suicide. 77.8% of respondents said the cladding scandal has ‘hugely affected’ their mental health, and over a quarter (26.9%) received a new formal diagnosis (anxiety / depression) as a result.<sup>47</sup> HPV residents articulated similarly high levels of anxiety, brought on by uncertainty of costs, uncertainty of remediation timeline, potential bankruptcy or worse - during a time of intense stress already brought on by Covid-19:

*"The stress this is causing is unbearable and hard to put into words. I have shed many tears. I feel sick with worry every day. I am scared that something will happen. I'm scared to open my post as I'm dreading getting a bill to fix the cladding. I have lost sleep with the worry not only of our safety, but also now we have failed to get the EWS1 certification, we are in an unmortgageable property... The stress, anxiety and worry have risen to unthinkable levels and has completely affected my daily life in more ways than I could ever describe... The cladding consumes my thoughts daily and all I want to do is move on."* Vantage shared NHG

*"This is causing me huge stress and worry of potentially going bankrupt, losing everything I have worked and saved for over the years and having to start again from scratch at such a late stage of my life. I am usually a calm and patient person but it is affecting my day to day life... [It] is causing me sleepless nights as it's always on my mind. I am out of my mind with worry as to what the future will now hold for me."* Vantage shared NHG

*"It has been very challenging to deal with the magnitude of stress and anxiety caused by this close prospect of bankruptcy. It has been amplified by it being entirely due to an openly hostile national government. [I feel] completely unwelcome in my own home while being forcibly tethered to it."* Signal shared MTVH

*"My flat cannot be remortgaged or sold due to the cladding issue. I'm finding myself in a difficult position where I'm stuck in a place where I do not have peace of mind. I'm mentally exhausted and seeing a mental health professional due to all the bad things that are going on here - cladding, service charge etc. It's proven too much for me right now as I'm facing other issues due to the pandemic - work, family, financial woes."* Vantage private

*"Morning, noon and night, week in, week out, month by month, year by year my life is totally and utterly consumed by the issues at my estate. It is sheer misery living in such a development. A Ballymore leasehold property is a living hell. Some leaseholders across the estate.. have been forced to spend many hundreds of hours learning about leasehold law and principles to force at least some improvements here. This is the ineptitude we are dealing with day in day out that has no end in sight. It's exhausting and compounds misery."* Vantage private

*"This [situation] has caused a huge amount of anxiety. Rather than spending time trying to look after my young family, I am constantly worrying about my unsafe flat and the huge bills that are no doubt coming my way. Remediation costs will be in hundreds of thousands of pounds and the only clarity on this is that leaseholders will foot the bill... We can't take much more of this. It is a grotesquely unfair scenario and only a matter of time before someone jumps off one of the balconies owing to poor mental health with stress and anxiety."* Cardinal private

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<sup>46</sup><https://wslaw.co.uk/blog/flat-owners-exercising-their-right-to-a-new-longer-lease-must-pay-a-premium-to-the-landlord/>

<sup>47</sup><https://www.insidehousing.co.uk/news/news/one-in-five-leaseholders-trapped-by-dangerous-cladding-have-thought-of-suicide-or-self-harm-survey-reveals-66735>

**4. The [draft Building Safety Bill](#)**<sup>48</sup> (published 18 July 2020): This section provides an overview of the Bill as it relates to the concerns of High Point Village residents. It is the view of both the Residents' Associations in HPV that the Bill in its current form must be rejected. The primary grounds for rejection is that the Bill as it stands will make leaseholders - the parties who are least responsible for historic building safety defects emerging due to decades of poor regulation and construction malpractice - responsible for as yet undefined but potentially substantial and unlimited costs of remediation.

**4.1.1. Affordability is not defined:** Despite assurances from successive previous housing ministers that leaseholders would not bear the cost for historic defects not of their making, the current government has indicated they will now aim to make 'affordable' but not cover/eradicate costs of remediation and safety passed on to leaseholders. The draft bill offers no concrete steps or clarity on what minimising means or how affordable costs are defined.

*"The vague moral imperative to keep costs down for leaseholders is no assurance at all, not least given the legally binding leases that mean leaseholders are responsible for all maintenance, repair and improvement costs. This is compounded by the absurdity of the draft bill in couching the safety charge as a parallel service charge costs for work that may be determined autocratically by developers/housing associations at no set cost limit or subject to audit beforehand, payable by leaseholders within 28 days."* Signal shared MTVH

**4.1.2. Affordability in shared ownership:** In case of affordable housing e.g. shared ownership, where there are already known issues, the lack of definition around 'affordability' takes on a different dimension:

*"While the bill talks about 'affordable cost', it fails to define it. Considering the fiasco of 'affordable housing' where currently the service charges in my building are far higher what is reasonable cost of maintaining and managing the property, I feel I will be left to with the huge cost of remedial work."* Signal full owner MTVH

*"I own a 40% share in a 1-bedroom apartment. I originally bought the flat as it was sold as an 'affordable property' for first time buyers. In my 8 years here, there has been nothing but issues. I have wanted to move out for several years but was unable to financially as I am on my own... I have saved hard for 8 years to enable me to move out and buy a house that will be a much better investment for my future without the surprise rising service charges, development issues etc. Now only to have the fear of huge costs being passed on to me for work on a building and apartment I don't even own..."* Vantage shared NHG

*"I am one of likely many thousands of people to have purchased under one of the schemes for first-time buyers that is publicly endorsed & subsidised by the government, and due to its continued campaigns of wilful neglect and apparent abuse of position, now face a strong likelihood of bankruptcy. This is even in spite of having passed (by a good margin) the highly demanding affordability test of its own design... Where the government's own estimates for bringing buildings up to standard range between £9,000 to £78,000 per leaseholder, with no actual legal upper limit, it begs the question: In which universe can these sums be classed as affordable, particularly for those in affordable housing?"* Signal shared MTVH

*"My 'affordable' home is now not only no longer affordable, it's also not a home anymore. It's a prison. We are trapped and can see no end to this nightmare."* Vantage shared NHG

**4.1.3. Lack of clarity on powers to limit costs charged to leaseholders:** There is little clarity provided in the current draft on the extent and nature of 'powers included that would limit the costs that can be re-charged to leaseholders', and what/how recourse to these powers will be made available to leaseholders. Current structures and processes for leaseholder recourse are onerous and in the experience of Signal RA (who were involved in a first-tier tribunal in 2016), these processes appear heavily stacked in favour of freeholders and housing associations who can afford professional legal representation, and the time and specialist labour required to see challenges through. If the Building Safety Bill's recourse

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<sup>48</sup><https://www.gov.uk/government/publications/draft-building-safety-bill>

for leaseholders to challenge affordability for safety remediation is mapped onto existing systems, there is little to prevent the further [disempowerment and disenfranchisement of leaseholders](#).<sup>49</sup>

**4.2. A parallel service charge:** Section 17g is of great concern as it suggests implementation of building safety measures e.g. building safety inspector, waking watches, or remediation work, which freeholders can determine without consulting residents and for which they can charge any amount payable by leaseholders within 28 days. This is in effect a parallel service charge scheme that is potentially open to spiraling costs and further financial abuse of leaseholders. It may also disincentivise and delay the remediation work that is either more effective in terms of costs and safety, or ultimately necessary i.e. removal and replacement of cladding. The section of the draft bill also indicates risk of reducing leaseholder rights e.g. to grant potentially unfettered access on grounds of safety.

With regards to HPV, residents are already seeing emerging evidence that the Bill may be creating potential avenues for unchecked expenditure and access breaches by freeholders in the name of safety that may not be necessary. On the evening of Friday 18 September 2020, Ballymore issued a blanket communication across their London developments, informing leaseholders that they have appointed Ark Workplace Risk as a contractor to carry out fire safety inspections in all apartments. Cost of the tests would be ~£80-100 per apartment and would be payable by leaseholders via their service charges. No consultation was offered to leaseholders, with Ballymore insisting these were required in order to comply with MHCLG regulations and the upcoming Building Safety Bill and that compliance would be necessary for insurance purposes. Leaseholders pointed out that the London Fire Brigade offer these inspections for free, that the assessments were not mandated by law, and that intrusive inspections inside residents' flats during a pandemic (particularly during the second lockdown) was ill-advised.

*"Ballymore are also enforcing [a programme of works for] private assessors to come into each of our flats to check our door safety. They will be charging us ~£120 per apartment even though we could technically get a fire assessor to come for free. This is also forced entry by a stranger in the midst of Covid, which has tenants at High Point Village extremely concerned. Ballymore have shown no sign of care and have not responded adequately to concerns, as usual."* Navigation private

*"While we have the possibility of completely unaffordable bills looming over us, they have also written to us [to say they] are intending on conducting a fire safety inspection at a cost of £100 per flat. It leaves me angry that such a huge company is allowed to behave in such a way."* Vantage shared NHG

A further issue with regards these inspections emerged given that several Signal building residents received this communication through their private email addresses. Signal residents have no direct relationship with Ballymore and MTVH advised in writing that they had no prior knowledge of any third-party arrangement with Ark Workplace Risk. Signal RA thus raised the alarm regarding this potential breach of GDPR regulations. At the time of writing, Signal RA has written to Ark Workplace Risk (who forward the query to Ballymore) and to MTVH, to determine if and how the private email addresses of residents were obtained by a third-party with no direct relationship to MTVH or Signal.

Signal Building also appears to have had at least some fire-break work done (~late 2019, completed May-July 2020); little to no communications were received by residents from MTVH prior to the start of work and throughout, and information sought regarding this work by Signal RA has not been forthcoming.

**4.3. Who should pay to make buildings safe?:** As with cladding remediation costs, there is a [great deal of uncertainty over who is responsible for costs](#) given the complex interactions between freeholder, leaseholder, housing association, building management etc.<sup>50</sup> This is compounded by the variety of tenancy arrangements, frequently occurring in the same estate, sometimes in the same building, as in HPV detailed above. In its current form, the draft bill will result in leaseholders – who are least responsible for historic building safety issues and are least represented in the bill – will be set to continue carrying heaviest costs. There is alarming reluctance displayed in the bill to provide clarity on leaseholder rights and to commit to transparent and firm protections from cost implications and burdens.

<sup>49</sup><https://commonslibrary.parliament.uk/research-briefings/cbp-8047/>

<sup>50</sup><http://researchbriefings.files.parliament.uk/documents/CBP-8244/CBP-8244.pdf>

Ruling out investing further public monies and refusing to [implement practicable proposals e.g. construction levy](#)<sup>51</sup> to make urgent changes needed to bring residential buildings up to safe standards is a particularly irresponsible and short-termist approach. This is because [the safety failures leading up to this bill ultimately appear to be the result of poor governance, wilful ignorance and the stripping back of centralised fire safety regulation and oversight over decades, over and above questionable industry practices](#).<sup>52</sup> In HPV's case, it is not known - if it will ever be - if identified fire defects are a result of regulatory failures, construction malpractice (if so, where along the chain?) or a combination of various factors that may remain unidentified without intensive time, labour and cost implications.

Some HPV residents believe that developers and builders should pay, noting the injustice if government does not act to hold those responsible for life-endangering construction practices accountable:

*"Instead of more regulation towards unscrupulous builders and management companies, including the housing association, we are now facing another service charge that is going to cripple many people and probably make them homeless... Passing the bill in the current form would be yet another slap in the face for hard-working and honest tax-payers. It would favour the developers that are willing to compromise safety standards for their own profit."* Signal full owner MTVH

*"Mr Jenrick announced that 'We owe it to [them] to get building safety right' before enacting the exact opposite [for example with] the subsequent announcement of billions of pounds invested into building more such shoddy housing while there still remains nowhere near enough funding to remediate the ones we already [that are] financial and literal death-traps. The question is: how could an honest government not hold the sellers of the faulty cladding to account?... It is also worth asking: How is the construction and housing industry – currently falling well below both moral and professional standards, as evidenced most viscerally by the Grenfell inquiry – going to be compelled to take ownership of safety issues if the government passes through bills like this that just allow eventual costs of their shoddy construction to be passed down to leaseholders?"* Signal shared MTVH

More residents believe that it is ultimately the government that should take responsibility and pay. This is in part due to the cost and time it would otherwise take, and in the interest of protecting the integrity of consumer and property rights fundamental to a functioning and thriving economy:<sup>1</sup>

*"... the issue lies with the government and lack of appropriate regulation which has created this situation... The safety of the building is the builders and the government that issues guidance responsibility, not that of people that have in good faith bought a property that was deemed safe and now find themselves not knowing whether they live in a safe home or whether they are going to go bankrupt."* Signal full owner MTVH

*"As a leaseholder of the property, which is managed by a housing association, I strongly object to the building safety bill in its current form. While I agree with the principles of building safety and construction, passing the financial implication of the bill to the leaseholders is totally unacceptable. As a leaseholder I cannot be held responsible for the historic failures and shortcomings in policies and regulations. Moreover, when I bought the shared ownership property in 2009 and stair-cased to 100% of ownership in 2014, I was repeatedly reassured that the property was built to the highest standards of safety and construction including NHBC guarantee. Even last year, when I was extending the lease for the flat, I was given full assurance about the safety of the building. Recent changes in policies have brought to light that also my building was built below the standards and safety requirements. As it stands, the building has just received a B2 on the EWS1 due to timber cladding, timber balconies and flammable insulation in some external walls. There were also historic defects identified such as fire doors defects and lack of sprinklers which the building safety bill will cover."* Signal full owner MTVH

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<sup>51</sup><https://www.insidehousing.co.uk/insight/insight/the-next-fire-wont-wait-here-are-the-10-steps-to-end-our-cladding-scandal-68019>

<sup>52</sup><https://www.insidehousing.co.uk/insight/insight/how-the-government-has-failed-to-make-buildings-with-dangerous-cladding-safe-three-years-after-grenfell-66565>

*"Where home ownership has been the goal of many people like me, who have worked hard and honestly all our lives, any decent person can see the rank injustice underpinning both the cladding issue and the draft building safety bill. It is grossly unfair to expect us to have to pay for the necessary safety improvements due to factors far beyond our responsibility. In many instances too, properties are on their third or fourth owners. How is it fair that a severe financial burden can be levied on current residents based only on the fact that they happen to occupy the property at this time? In all instances, purchases have been made with the belief that their homes already met the necessary safety standards. A good analogy for this would be if one purchased a new car that was later found to have safety problems. Consumer protections would mean that the manufacturer issues a recall on the vehicle, repairs and makes safe at their expense and allows the owner to enjoy peace of mind and safe motoring. Why does the same principle not apply to homeowners given that buying a home is the largest and most important purchase people will make in their lifetimes?"* Signal shared MTVH

Shared ownership is again particularly flawed in this regard, given it comes with 'all the liabilities but no ownership':

*"We are in a leasehold property. I will never own it. It is also a shared ownership property designed for people like me who would not be able to afford to save for a 'normal' mortgage. Even though I 'own' a 40% share the truth is ALL costs would be left for me to pay should it be decided that leaseholders have to pay for the works... How can we leaseholders be expected to pay to fix something we have no control over? I did not choose the building materials. Nor could I have foreseen what has happened in the last few years. If anything, I thought moving into a new build was the safer option. I thought building regulations protected us and meant that this kind of situation was avoided."* Vantage shared NHG

*"Shared ownership is no protection. The flawed system of shared ownership leaves the full burden of all costs legally on the 'owner', even if their share is minimal, as they in fact own nothing of the property or land but are responsible for all liabilities. Now unable to sell to pay off these costs (even if at a loss), unable to re-mortgage and faced with the prospects of even higher costs on the exploitative rental market, this legislation in its current form stands to destroy the lives of millions of residents, myself included."* Signal shared MTVH

**5. The broader context:** This section discusses the impact of the cladding scandal and impending building safety regulatory changes for HPV residents in relation to the wider context of the pandemic, a housing market already broken at the lower rungs, and the future of e.g. government-backed housing schemes.

**5.1. Covid-19:** There are an unknown but significant number of residents across HPV who have lost their jobs, are facing severe reductions in income or potential redundancies, or are on furlough with reduced wages but no reduction in rent and service charge: *"I am at present unemployed as I have lost my job in the aviation sector due to the coronavirus pandemic. I am not going to find another job that pays as much as before and that means I am many steps closer to becoming homeless."* Signal full owner MTVH.

A less articulated but nonetheless salient concern is that the fallout from the cladding and building safety scandal will be tied to the pandemic, rather than to decades of poor regulation and construction: *"the implications of the timing of this recourse [being that] bankruptcies [arising from the Building Safety Bill will be shielded from scrutiny by being falsely] linked to Covid-19"* Signal shared MTVH

**5.2. Loss of faith, feelings of betrayal and regret** were expressed, particularly first time buyers:

*"I purchased through the shared ownership scheme and felt this was a positive step onto the housing market but I've been left feeling trapped and regret investing my savings into a property which now feels like a prison with no release date in sight."* Vantage shared NHG

*"I, like many others, bought into this scheme because it was most likely to be a one & only chance to escape 'Generation Rent'. The leases were being sold with government-endorsed assurances of material safety and fiscal sustainability. I had misplaced good faith in the government having an at least basic level of honesty,*

*trustworthiness and professional integrity. It is distressing now that the government has announced - in a manner more horrifyingly open & direct than anyone could have possibly imagined - its' intent to allow the pillaging of the entire lives' savings of those who are already the biggest victims of the cladding scandal outside of the Grenfell tower itself. I gravely regret not having just resigned myself to 'Generation Rent'.... It is extremely worrying and saddening to think of the number of people picking up bankrupting demands for something they've already paid for with their life's work and savings... [it is hard not to] think: 'What a waste of a life being an honest, working, tax-paying citizen in this country turned out to be'." Signal shared MTVH*

**5.3. Impact on the housing market:** The currently paralysed market for mid- and high-rise apartments may hold severe consequences particularly for the affordable and shared ownership market. For young people looking to get onto the housing ladder, these traditional lower cost, first step homes have now effectively been removed from the available housing stock. While connections have yet to be made explicitly between the cladding crisis and the health of the housing sector, recent reports show [nearly 1 in 4 sales collapsing in October 2020 despite government incentives](#).<sup>53</sup>

*"I'm well aware there are thousands in the same situation and also of course the negative impact that this is having on first time buyers hoping to make their first move onto the housing market." Vantage shared NHG*

*"With many people across the country already financially stretched with increased rent, service charges and cost of living due to the now well-documented exploitative practices endemic in the leasehold sector, to further add thousands of pounds of remediation costs would almost certainly consign an entire generation to financial ruin and deeply discourage/prevent access to affordable home ownership to the next generation... The passing of this legislation in current form, alongside the seriously flawed shared ownership system and the long-denounced leasehold laws means ordinary hard-working tax-payers are being asked to pay for the failings of previous governments, profit motivated developers and ineffective housing associations. If passed, the bill would ultimately represent yet another rung in the bottom of the ladder being demolished in what is already a thoroughly broken housing market." Signal shared MTVH*

## **6. Action taken so far and recommendations:**

HPVRA contacted both the NHBC and Hillingdon council in regards to concerns, but were told that neither can help. NHBC responded: *"Unfortunately, as NHBC's subsidiary did not undertake the Building Control for the Property, fire safety issues are not covered under the Buildmark policy"*. Hillingdon Council responded at the time: *"Unfortunately we are not aware of any means by which LBH Planning or Building Control Teams assist. We have liaised with other Council teams and understand that they are trying to ascertain whether there is any way the Council can assist residents"* (20 October 2020). Subsequently, on 27 October 2020, the chair of Signal Building RA had a productive telephone meeting with Mark Billings, Head of Housing Options, Homelessness & Standards at Hillingdon Council. Serious concern was expressed by Mr Billings regarding the situation at HPV across all buildings and assurances made that both awareness and exploration of action has already taken place within his department. Communications have now begun with Mr Billings' office via Signal RA. Contact details of the High Point RA, Signal RA, MTVH and Ballymore have been shared and further steps from the borough are in the works. Residents from HPV and other affected developments in Hayes had meetings with John McDonnell MP on 10 September 2020 and 13 October 2020. These meetings resulted in the forming of a working group that produced this document. It is hoped that this document will set the scene for further conversations and meetings e.g. with local council officials, and other affected developments and cladding campaign groups.

We endorse the [End Our Cladding Scandal campaign's 10 steps](#) for freeing leaseholders from the cladding and building safety crisis.<sup>54</sup> We call for more MPs, councillors, public figures and experts to publically back this campaign:

- I. *The government must lead an urgent national effort to remove all dangerous cladding from buildings by June 2022, including the prioritisation of blocks most at risk.*
- II. *The Building Safety Fund must cover all buildings, regardless of height, and a range of internal and external fire safety defects, not just cladding.*

<sup>53</sup> <https://www.telegraph.co.uk/property/uk/house-price-boom-could-derailed-perfect-storm-collapsed-sales/>

<sup>54</sup> <https://www.insidehousing.co.uk/insight/insight/the-next-fire-wont-wait-here-are-the-10-steps-to-end-our-cladding-scandal-68019>

- III. *The government should provide the money up front and then seek to recover it from any responsible parties or via a temporary levy on development.*
- IV. *Social housing providers must have full and equal access to the fund.*
- V. *The government must compel building owners or managers to be honest with residents about fire safety defects.*
- VI. *The government should cover the cost of interim safety measures.*
- VII. *The government should act as an insurer of last resort and underwrite insurance where premiums have soared.*
- VIII. *A fairer, faster process is needed to replace EWS and funding is necessary to ensure all buildings that require a form are surveyed within 12 months.*
- IX. *Mental health support must be offered to affected residents.*
- X. *Protecting residents from historic and future costs must be a key commitment of new building safety legislation.*

In addition to these ten steps,

- I. [The London Assembly recently addressed these matters, unanimously passing a motion demanding that the government address these issues as a matter of urgency](#),<sup>55</sup> as has [Leeds Council](#).<sup>56</sup> We believe this is a step in the right direction and ***call on Hillingdon Council to do the same.***
- II. With regards to HPV in particular, ***political pressure from our representatives to government and Ballymore*** is vital: We ask that our borough council, MP and the London Assembly impress upon Ballymore (as a developer with a high profile in London) to consider their residents and remediate without costs to leaseholders for defects they are not responsible for causing. Ballymore also need to be asked why they have arranged for a third party contractor to carry out intrusive fire inspections of leaseholders homes and at leaseholders expense, especially when the fire brigade offers this service free of charge.
- III. There also needs to be ***pressure from above on NHG and MTVH to represent, protect and inform their residents.*** MTVH and NHG residents pay a management fee on top of the Ballymore service charge and their representation and interface has historically been significantly below expected standards.
- IV. We also call for ***urgent discussions with housing associations to unblock pathways that already exist*** to mitigate potentially mounting debts, to prevent possible evictions and to free leaseholders. Some avenues for consideration include: buy-backs, downward staircasing, voluntary surrender and lease extensions without premiums. Signal RA chair has also asked MTVH for and received information regarding evictions, arrears, voluntary surrender should remediation costs be beyond leaseholder's means. MTVH have provided an initial response (November 2020) and Signal RA have asked for further clarifications on voluntary surrender options.
- V. We call for ***pressure to be put on RICS to ensure that valuations on apartments reflect the cladding crisis,*** building defects and the stalled flat market. As with houses, valuations of apartments should reflect structural safety issues in need of remediation. Where there is the fear that leaseholders could buy their apartments at cladding-affected values, if leaseholders are expected to bear risks of equity loss, it is incongruous and immoral for freeholders, housing associations, lenders and the government to eschew similar risk.
- VI. We also suggest that there is a growing mistrust among leaseholders in the [political will and sympathies of the current housing administration](#).<sup>57</sup> There has been an absence of an urgent, competent and decisive response to the cladding and safety scandal three years after Grenfell and [a failure to engage meaningfully and consistently with affected leaseholders](#).<sup>58</sup> We therefore call for ***new leadership and approaches more suited to the task at hand*** - to prioritise the responsibility of fixing existing building safety defects at no cost to innocent leaseholders.
- VII. More broadly, we urge for pressure to be put on the government to ***implement long overdue leasehold reform as per the Law Society's recommendations***,<sup>59</sup> and we call for an ***overhaul of the exploitative shared ownership model*** that has trapped a generation of first-time buyers.<sup>60</sup>

<sup>55</sup><https://www.london.gov.uk/press-releases/assembly/ews1-forms-leaving-londoners-stuck>

<sup>56</sup> <https://southleedslife.com/council-calls-for-urgent-action-to-address-the-cladding-scandal/>

<sup>57</sup><https://www.estateagenttoday.co.uk/breaking-news/2020/9/new-sleaze-allegation-against-housing-secretary-robert-jenrick>

<sup>58</sup><https://www.lbc.co.uk/radio/presenters/nick-ferrari/cladding-crisis-jenrick-admits-hes-still-not-met-people-trapped-in-dangerous-ho>

<sup>59</sup><https://www.lawsociety.org.uk/en/topics/property/law-commission-publishes-reports-on-leasehold-home-ownership>

<sup>60</sup><https://www.gov.uk/government/news/cma-finds-evidence-of-serious-issues-in-leasehold-selling>

## 7. Some key questions:

- Leaseholders did not design or have any involvement in the building of the apartment block. Leaseholders do not even own the buildings, but are still going to be made liable for the uncapped cost of remediation works. Purchases, lending and conveyancing were all carried out under the standard diligence. It is only the change of policy by the government that has plunged leaseholders into this intractable situation, one which they did not cause or contribute to in any way. How is this fair?
- The £1.6bn building safety fund is only applicable to buildings with cladding issues. What about other fire safety issues that require remediation work e.g. wooden balconies, sprinklers, fire doors and missing fire breaks?
- The potential costs of remediation of all affected buildings is estimated to be around £15bn. The existing fund does not even come close to this. Why is the government not increasing the fund so that all buildings can benefit?
- The example set by the Australian government has been cited as a sensible pathway to freeing leaseholders from crippling costs. The creation of a 'building levy' that is enforceable and requires builders to contribute to the remediation fund in order to secure a building permit has alleviated the financial stress on leaseholders and restored confidence and livability in high-rise apartment housing. Instead, the UK government is still issuing vague terms along the lines of 'doing the right thing' or 'affordable cost', which do nothing to compel freeholders to remediate without passing on costs to leaseholders. Why?
- Why aren't RICS valuations of apartments reflective of structural fire safety and cladding defects?