

London tower block leaseholders oppose having to pay cladding repair bill

Our reporters
26 February 2018

In the aftermath of the Grenfell Tower fire, hundreds of residential blocks around the UK were found to be clad in the same flammable material that caused a devastating inferno which resulted in the loss of at least 71 lives.

Around the country 262 blocks have the same combustible cladding, including 161 social housing blocks and 26 student halls of residence. It is not known exactly how many residential blocks owned in the private sector have such cladding, as the government has not compelled owners to provide samples.

One of the private residential towers found to have the same combustible cladding is the Citiscape complex in Croydon, south London. The owners of the block, Proxima GR Properties, are trying to force leaseholders to pay at least £2 million for replacing the cladding.

In addition, since the building was deemed a fire hazard, fire marshals have been assigned for the last 35 weeks at a cost of more than £130,000. Proxima GR Properties plans to pass all these costs onto leaseholders—totalling £31,300 per apartment.

Proxima GR Properties is owned by the Tchenguiz family trust. Property magnate Vincent Tchenguiz is a trust beneficiary, the owner of 300,000 freeholds in the UK, including 10 Hilton hotels. In 2009, the *Sunday Times* Rich List estimated the wealth of Vincent and his brother, Robert Tchenguiz, to be £850 million.

Citiscape is managed by FirstPort, a property management firm with 185,000 homes in 3,700 developments.

FirstPort took the case to a property tribunal, held this month. A judgement is due on March 16. Around 10 residents attended the hearing with some presenting written submissions. One told the tribunal that his 95-year-old father had to be taken to hospital after

being told he would have to pay a share of the repair works.

The *World Socialist Web Site* spoke to two Citiscape leaseholders, Anuj and MJ. Both are senior engineers and have helped establish a residents' association.

"I moved in here in November 2016, so for me it was a big, big blow, because in less than a year I heard the news about the cladding," Anuj explained.

"I am the only person from my family, all my family live in India. When the Grenfell fire happened, the news spread very fast, everywhere, all around the world. I started getting calls from my family in India, everyone started asking, where are you, what happened, where are you living in London?"

"You can see the extent of people affected by incidents that governments are ignoring, or that builders are completely ignoring as their responsibility. My family lives more than 7,000 kilometres away from here... So how many people are being affected worldwide?"

MJ discussed the impact of the revelations since Grenfell on those living in housing blocks covered in the same cladding: "When we saw the news, it was just terrible. When Grenfell Tower was still burning up, you put yourself in the shoes of people living in there.

"When you start learning about the reason why the fire spread so fast, it's such an unfair situation. You are supposed to be living in a place that was safe. These people, from what I have read, raised quite a few concerns about the safety of the building.

"It shows many of the issues residents are having with managing agents. It sometimes feels that they are just in it for the money, and they say all the right words and they always operate in strict legal terms. But when you see for what you are paying, the reality is they are only in it for the money."

“We know that the [Citiscape] building was finished around 2002-2003. But we don’t know who the contractor was that put the cladding up. We only know the builders were Barratt Homes,” Anuj said.

“The tribunal decides, based on the lease contract, if passing the costs of the claim onto the leaseholders is reasonable, and the amount they want to charge us is reasonable as well.”

“We are not the owners of the flats. The owner of the flat is the landlord,” MJ noted. “We have to pay him ground rent and ask his consent if we want to rent out, change layout, etc, and you have to pay a fee.”

Anuj explained that service charges are already high for the average resident: “The service charge, without the cladding [repair fee], without the fire marshals [fee], is £2,400 annually for a one bed apartment. The chairman of the residents’ association has a three-bedroom flat and his service charge a month is nearly £500.”

MJ reviewed the financial hit that residents will take with the expected cost of covering repairs and continuing safety measures. “The bill we’ll be presented with will definitely be larger than the estimate we have now. The fire marshals will need to be here, at least based on what FirstPort says, probably until September or October. That will be at the very least at £240,000 a year, so just for that it’s around £2,000 or £3,000 per flat.

“On top of that... it is only an initial estimation. It hasn’t gone to tender. Then there’s the scarcity of cladding panels, because many, many blocks throughout the country have to change the cladding, so prices are going up. We’re afraid that the final quote may be £3 or £4 million.

“The other issue is that FirstPort have said that they will not start replacing the panels until they have all the money. So let’s say that if six or seven flats are not able to pay the £30,000 or £40,000, then we’ll still be living in an unsafe place.”

Anuj and MJ also explained that the refusal of the owners to carry out the essential repairs to the block is having a detrimental effect on the building’s overall maintenance.

“What is happening is that whatever funds they have to fix the lift or the main entrance or other work, they have diverted towards paying for the fire marshals,” Anuj noted. “Other issues are being neglected. You

cannot have a building where the front door lock is not working, the lift is not working, and the other issues that can be resolved with the reserve funding they have. So unless and until we pay them, we are having problems with the building.”

To justify their case, FirstPort told the tribunal that they were unable to get bank lending to cover the cost of repairs, claiming that their bank said it would instead lend to individual leaseholders.

“That’s nonsense—they have the professional indemnity as insurance and they can use it,” Anuj explained. “They are a service management company and it is a condition that they have insured themselves for this situation. It is nonsense also when they say they have no resources. All of that is rubbish.”

Anuj and MJ pointed out that a nearby privately-owned tower block, Centrillion Point, is also partially clad in flammable material. However, more than eight months after the fire, the government has yet to release figures on how many privately-owned buildings are affected nationwide and unsafe. Anuj said he had made Freedom of Information requests trying to find out.

“Why is no one talking about private buildings, colleges, schools, hotels. Why are they not talking about that,” Anuj demanded.

Anuj and MJ have set up a petition to parliament demanding that central government “rule formally that freeholders are responsible for costs of ensuring the safety of our buildings and provide economic support to guarantee prompt implementation of whatever measures are needed.”

The petition can be signed here.



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