Dear Stephen / All,

We write in relation to the attached Newsletter and recent events at Royal Quay, in Liverpool. We ask that you please take a few minutes to read through the attached and understand the impossible position Royal Quay leaseholders are now in, and please reply as soon as possible.

Royal Quay is a development of seven blocks, with a total of 200 flats and circa 400 residents, and five of those seven blocks are deemed to be under 18 metres. As you can see from the attached, the leaseholders are now close to tipping point and have been warned that the development may have to be closed down, as the *ordinary*annual service charge payable, of approximately £270,000, has had to increase to £957,000 for this calendar year. This means the average leaseholder, who was paying £1,350 per year, now has to find £4,785 in 2021, i.e. a monthly payment of c.£400. Please also note that this is largely before being able to properly consider costs relating to cladding and fire-stopping remediation measures, other than initial professional fees.

The enormous and unaffordable increase is due to a number of fire-safety issues including:

1. Cost of increased insurance premium – from a premium with AXA of £56,393 per year in 2020, which was then increased to a pro-rated £132,393 midway through 2020, once cladding issues were identified. The insurance premium at renewal in September 2020 was £500,000+ for the year – this was completely extortionate so, after a great deal of work, Aviva have now insured at approximately £330,000; meaning an annualised increase of almost 500%.
2. Cost of Waking Watch patrols which will need to continue until alarm installation. The Waking Watch was originally costing £32,000 per month – while residents, including three NHS staff, are volunteering as Waking Watch volunteers for 12 hours, 7 days a week to help reduce the clearly impossible costs associated with the Watch, there is still a requirement to pay £12,000 per month for overnight patrols.
3. Cost of installation of alarms to replace the Waking Watch - the total cost is c.£350,000, of which only c.£130,000 may be available through the Waking Watch Relief Fund, as only two of the seven blocks are above 18m.
4. Cost of professional fees – An application has been made to the Building Safety Fund; however, this is only available for the aforementioned two blocks. The managing agent, Mainstay, submitted the applications for each in July 2020 but there has been no response in respect of eligibility and there is not yet any hint of if/when any funding will be made available. This is despite the professional fees to submit the works programme costing £150,000 before any actual remediation works can even begin to take place.

One very important point, which we request urgent clarification upon please, relates to the Secretary of State’s announcement and associated press release on February 10th 2021. The height threshold given was 18 metres / 6 storeys or over, and this was repeated by you today in the House of Lords.

Our understanding of the practical implementation of this, based on the glossary on page 6/28 of the updated RICS Guidance on Valuation of Properties in multi-storey, multi-occupancy residential buildings with cladding (effective 5th April 2021), is that the ground floor should be included as a storey and, therefore, the eligibility for funding. We ask that you please confirm our interpretation is correct. We understand that, of the five Royal Quays sub-18m blocks, four are seven storeys once the ground floor is included, hence we believe that this means six of the seven blocks should now be eligible for funding from the Building Safety Fund.

During today’s proceedings in the House of Lords, Lord Greenhalgh said that “we are aware of this development and the difficulties it faces” and that he sympathises “a great deal with the problems raised”. Lord Greenhalgh also said that MHCLG was “working alongside Liverpool City Council to ensure that we are doing what we can to support the building, and this includes considering eligibility for public funding”. As the registration process closed

As six of the seven blocks should now be eligible for the Building Safety Fund, we ask that you please ensure that Royal Quays’ registration and application to the BSF is progressed as quickly as possible to provide the pre-tender funding, which is clearly desperately needed to avoid the development being closed down.

We also firmly believe that the height threshold for the Waking Watch Relief Fund should be commensurate with that of the Building Safety Fund, i.e. over 18m and / or above six storeys – whilst we are aware that the deadline for applications has now passed, we request that full consideration is given to approval of Royal Quays’ ongoing application for all blocks in the development to be able to access the Waking Watch Relief Fund.

**Stephen** - at our most recent meeting on 1st March, you appeared to recognise that it wasn’t fair for some people in a development to be able to access funding whereas others, who live in the same development but in one of the sub-18m blocks, cannot. We also recall your comment that this was something that could be looked at. We ask that you and the Government please now urgently look at this case before it is too late for the unfortunate residents.

We also note that this is a real and very live example of the struggle people are facing right now to pay the costs of insurance and interim measures, with barely the initial stages of the remediation project having commenced. We are very concerned what may happen if the residents are forced out and we have already heard very worrying stories of what the residents may do, if the worst comes to the worst. We need your help to do all that you can to please avoid a very unfortunate situation turn into something far worse.

We ask that you please respond as soon as possible with the Government’s position, and what you can please do to help influence action from the Government on the above fire-safety issues, which are completely outside the control of the leaseholders and the Residential Management Company – whether this be on the insurance, the Waking Watch Relief Fund / alarms cost, or the urgent need for pre-tender support to be distributed immediately, ideally for all seven of the blocks that comprise the Royal Quay development.

We really need you and the Government to **please act** before Royal Quay is closed down and c.400 people are left homeless. We have asked for this to be kept out of the media for now, but the leaseholders are very angry and upset and we are aware that they have been contacted by the press and media to highlight this awful situation.

We hope to hear from you as soon as possible given these unfair and desperate circumstances.

Thank you,

Julie Fraser