



For the attention of:

KIM JOHNSON (Member of Parliament for Liverpool Riverside)  
STEVE ROTHERAM (Metro Mayor – Chairman, Liverpool City Region Combined Authority)  
WENDY SIMON (Acting Mayor of Liverpool)  
TONY REEVES (CEO, Liverpool City Council)  
BARRY KUSHNER (Councillor)  
ANNA ROTHERY (Lord Mayor of Liverpool & Councillor)  
LEE KINDER (Assistant Director Asset Management, Liverpool City Council)

15 March 2021

Dear Ladies & Gentlemen,

We are writing to you on behalf of, and as Directors of, the Resident Management Companies of **Royal Quay** on Liverpool's Waterfront (pictured below) and also on behalf of the 200 leaseholders (400+ residents) at the complex. The RMCs are Liverpool Quays Management Ltd and Kings Waterfront (Management Company) Ltd.



Following a recent meeting with our Managing Agent (Mainstay Residential) we have been appraised of the current financial position for Royal Quay and it's very concerning, to say the least. Mainstay have advised they now have **very serious concerns** about the future viability of Royal Quay over the coming months and initial discussions have taken place on how **the site may need to be closed down** due to the current financial pressures on leaseholders.

We need to be clear, at Royal Quay we are not even at a stage of discussing funds for the necessary cladding remediation works. We are battling with costs that we now face as a result of the identified fire issues. The current extra costs include:

- Temporary alarms – installation cost c.£350,000 - of which approx. £130,000 may be available through the Waking Watch Relief Fund applications that we have already submitted for blocks 5 & 6 (which are over 18 metres in height) leaving a deficit of £220,000;
- Ongoing Waking Watch patrols until the above alarm systems are installed. We are now operating a Volunteer Waking Watch scheme with residents volunteering 168 hours each week to cover this service and replace the paid service which was costing £32,000 per month.

We now pay £12,000 per month for an overnight Waking Watch service and this was achieved through our own efforts alone alongside the tremendous goodwill of the volunteers. There are even 3 NHS workers volunteering in our Waking Watch scheme and after excessive hours working in the NHS have then to return home to patrol Royal Quay. The volunteer arrangement cannot continue forever and once people return to work/normal life post-lockdown we may have no other choice than to return to a £32,000 per month Waking Watch provider. As such, there is a desperate need for the temporary alarm systems to be installed;

- Professional fees – For blocks 5 & 6 we have applied for the Building Safety Fund and still await the outcome. We have been advised that we have to submit costs by 30<sup>th</sup> June 2021 however no funding has been made available to support the necessary works to allow us to submit costs by this date. As such, we are facing total fees of approx. £150,000 over the next 3 months for an architect, cladding consultant, EWS1 form certifier and a project manager;
- Insurance – Annual premium of approx. £350,000. Almost a 700% increase year on year.

The purpose of our letter is three-fold. You, as our local representatives, need to be aware of this escalating situation at Royal Quay. Without urgent intervention we have no doubt **the site will be closed down in the coming months** and so we call on you to step in and ask Liverpool City Council to do more. Given the severity of the issue their efforts to date are simply not good enough. Furthermore, Liverpool City Council actually own the freehold of Royal Quay. Optically, also, seeing 7 blocks going into dilapidation right adjacent to the Royal Albert Dock and M&S Arena, in a prime waterfront location, will not reflect well on the City of Liverpool, nor the Council.

We have also attached the most recent Directors Update from March 2020 which was recently sent to all leaseholders at Royal Quay, setting out the seriousness of our situation.

Secondly, we want to ask for your help regarding the point above on professional fees. We urgently need the Government to review our application for the Building Safety Fund and if successful, release the necessary funds to pay for the initial professional fees requiring to be outlaid. The applications for the only blocks which would qualify for the fund currently (blocks 5 & 6) were submitted on our behalf by Mainstay in July 2020 but since that date we have heard absolutely nothing from the Fund. We have no option but to press ahead with these works if we are to submit a cost for cladding remediation to Government by 30<sup>th</sup> June 2021 however we do not have the funds available (£150,000) to pay for these services. We understand if our application to the Building Safety Fund is successful these fees will be covered as part of the grant awarded. We would like to ask you to urgently escalate this matter with the relevant Government department and ask for our Building Safety Fund application to be reviewed without delay. Time is of the essence here. 200 families are at risk of becoming homeless on Liverpool's iconic waterfront.

Thirdly, Riverside Housing built three of the seven blocks at Royal Quay, and they have offered no help whatsoever. It is therefore hugely disappointing to see that Liverpool City Council are "in bed" with Riverside at a new development in Dovecot. Needless to say, adding further insult to injury, is the recently-issued 4.99% increase (again) in Council Tax for all residents at Royal Quay. The Council should not be entering into arrangements with Riverside whilst 400+ people will likely be made homeless on the waterfront mainly due to the shocking fire risk-laden buildings they constructed at Royal Quay. Whilst the Council has previously responded that they have no money to assist Royal Quay, perhaps what the Council **do** have is the sway to exert pressure on Riverside to contribute to the remediation costs of Royal Quay. We refer you to Newham Council in London where Councillors

are shortly voting on a motion to query the involvement of certain developers in submitting planning applications where any of those developers' previous construction projects have unresolved cladding issues. Furthermore, despite attempts to elicit responses and assistance from the original developers of Royal Quay, none has been forthcoming. *(AWG/Morrison Properties built blocks 1, 2, 3 & 7 and retain an underlease on blocks 1 & 7, annually receiving ground rent thereon. Blocks 4, 5 & 6 were built by Riverside/LHT).*

We appreciate this is a national scandal but we want you to know that the situation at Royal Quay is unique and we are continually told by Mainstay that we have more fire risk issues than any other building they manage in their national portfolio. As such, the pressures are heightened and the likelihood of the building being closed down grows ever more likely by the day. Please act now and avoid this crisis reaching the point of no return. It is interesting to note that Halton Borough Council have funded Waking Watch costs for the The Decks in Runcorn, despite HBC not being their freeholder. With Royal Quay, Liverpool City Council are the freeholder so this implies an increased moral duty to assist in this dire situation.

Yours sincerely

Colin Anderson – Director KWMC  
Chris Parle FCA – Director KWMC  
Laith Abdullah – Director LQM  
Arthur Bostrom – Director LQM  
Jonathan Hawley – Director LQM  
John O'Hara – Director LQM

*Attachment: RQ Directors Newsletter March 2021.pdf*

C.c. *Gerry Proctor (Chair – Engage Liverpool)*  
*Kate Magill (Associate Director – Mainstay Residential)*