Tower Blocks
Draft Action Plan
Briefing

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Introduction

• High Rise epitomises post-war ‘modern’ housing
• N.I. blocks built in 1950s-60s
• 33 blocks in NI (25 in Belfast)
  • 1,931 flats
  • Primarily 2-bedroom
  • 1,650 NIHE
    • 1,621 residential
    • 29 other uses
  • 281 sold flats
Background to Strategy/Action Plan

• Tower Block Strategy requested by DSD Minister in 2014
  • Postponed until completion of Savills’ Asset Commission work
• Strategy approved by Board in September 2015 and Minister in February 2016
  • Recommended programme of option appraisals as Savills’ work raised concerns about future sustainability of the portfolio
• Report on Option Appraisals to Board in November 2016
  • No long term retention and request for Action Plan
• Draft Action Plan prepared in May 2017 for consultation, but put on hold following Grenfell Tower fire
• Draft Action Plan approved by Board in May 2018 as the basis for consultation with stakeholders
Housing Need & Community Sustainability

• Blocks originally catered for a wide mix of household types
  • Lettings policies and demographic/market changes have resulted in portfolio-wide pattern of under-occupation)
    • Primarily mature single, 2-person and elderly households
• Generally good level of satisfaction with the blocks
  • Appears that Grenfell & Coolmoyne fires have had no material change in residents’ and applicants’ confidence
• Very considerable variation in social housing demand and turnover across the portfolio and associated estates
• Number of locations where demand is low or weak
  • In many of these locations there are opportunities to replace the blocks with new housing that matches need and is more financially sustainable
• Other locations with high levels of housing stress where blocks address priority housing needs
  • Characterised by low stock turnover, little/no potential new build sites, and competing needs
• Current uncertainty regarding the future post-mitigation impact of Welfare Reform on demand for the blocks
  • Likely to be dependent on the local market
• High proportion of private ownership (15%)
  • % varies considerably across the portfolio, but high in several blocks
  • Many now thought to be privately let
  • Likely that most owners will be reluctant to sell

Housing Executive
Stock Conditions & Investment Need

• **Condition**
  - Savills 2014 - blocks require significant investment to extend useful lives and achieve & maintain modern standards
  - Recent expenditure of £23.4 m (mainly in M&E, H&S, cladding)
  - Limited component replacement (£19.5 m backlog)

• **30 year maintenance & management cost = £308.8 m**
  - Planned maintenance per flat = £84,000 (£44,000 across all stock)

• **Projected costs far exceeds rental income**
  - Highest costs (management and maintenance) vs low rents and sub-optimal service charges
  - Limited potential to reduce costs and increase income
  - Portfolio will require subsidy of £5 million p.a. from rest of stock
Safety issues

• Significant body of remedial works carried out (or planned) since Grenfell
• Independent Reference Group report
• Future regulatory requirements potentially arising out of the Hackitt Review
• Preponderance of elderly and other vulnerable residents
• Even with all possible fire safety measures implemented, Tower Blocks would still be our stock with the greatest fire safety risk
Conclusions

• Considerable imperatives for decommissioning the portfolio
  • Cost of retention is excessive - represents a disproportionate call on limited projected resources at the expense of more sustainable stock
  • Mismatch with households’ and communities’ needs
  • Blocks will continue to be our stock with the highest fire risk
• There are opportunities to clear/rehouse residents
• However, such opportunities vary across the portfolio
• **Conclusion** - a ‘decommissioning’ plan for the entire portfolio is not possible or deliverable at this time
Proposed Strategic Approach

- Long term aspiration is to stop using all of the blocks
- Twin track approach is proposed in the short-medium term:
  - Blocks to be decommissioned where there is opportunity to clear/rehouse the residents
  - Blocks to be retained for medium/long term where we have already invested significantly, and where there are currently no/limited opportunities to clear/rehouse the residents
- Categorisation of blocks into Short, Medium and Long term life/action – criteria for decisions on blocks:
  - Condition, safety & investment
  - Housing Needs
  - Community sustainability
  - Opportunity for re-provision
- Periodic review
## Indicative Redevelopment timetable

<table>
<thead>
<tr>
<th>Short (1-5 years)</th>
<th>Medium (6-10 years)</th>
<th>Long (10+ years)</th>
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<tbody>
<tr>
<td>Latharna, Larne</td>
<td>Carncoole, Rathcoole</td>
<td>Glencoole, Rathcoole</td>
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<tr>
<td>Woodland, Rushpark</td>
<td>Mount Vernon, Mt Vernon</td>
<td>Cuchulainn, New Lodge</td>
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<td>Beechwood, Rushpark</td>
<td>Finn, New Lodge</td>
<td>Eithne, New Lodge</td>
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<td>Monkscoole, Rathcoole</td>
<td>Fianna, New Lodge</td>
<td>Maeve, New Lodge</td>
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<td>Abbotscoole, Rathcoole</td>
<td>Moylena, Finaghy</td>
<td>Grainne, New Lodge</td>
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<td>Ross, Mount Vernon</td>
<td>Ferndale, Dunmurry</td>
<td>Divis, Lower Falls</td>
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<td>Oisin, New Lodge</td>
<td>Parkdale, Dunmurry</td>
<td>Whincroft, Braniel</td>
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<td>Moveen, Finaghy</td>
<td>Riverdale, Dunmurry</td>
<td>Carnet, Ardcarn</td>
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<td>Coolmoyne, Dunmurry</td>
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<td>Rathmoyne, Dunmurry</td>
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<td>Breda, Belvoir</td>
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<td>Kilbroney, Cregagh</td>
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<td>Willowbrook, Cregagh</td>
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<td>Clarawood, Clarawood</td>
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<td>Magowan, Portadown</td>
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<td>Belvoir, Belvoir</td>
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<tr>
<td></td>
<td>Woodstock, Cregagh</td>
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</tbody>
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Categorisation

Short term (1-5 years) – 9 blocks in Belfast

• Ross, Mt Vernon
• Oisin, New Lodge
• Moveen, Finaghy
• Coolmoyne, Dunmurry
• Rathmoyne, Dunmurry
• Breda, Belvoir
• Kilbroney, Cregagh
• Willowbrook, Cregagh
• Clarawood, Clarawood
Short Term Category Proposals

- Blocks where there is opportunity to clear and replace with new build or (where there is potential) seek a private sector option
- Action
  - No further re-lets
  - Tenants awarded Management Transfer status for priority re-housing
  - No further sales of flats
  - Acquisition/vesting of privately owned flats
  - No investment beyond response/cyclical maintenance & H&S works
  - Rents frozen
  - Opportunities explored to acquire local properties for sale
  - Serve notice on relevant telecommunications providers regarding relocation of masts
Medium Term: 6-10 years

9 Blocks include:

• Mount Vernon, Mt Vernon
• Finn, New Lodge
• Fianna, New Lodge
• Moylena, Finaghy
• Ferndale, Dunmurry
• Parkdale, Dunmurry
• Riverdale, Dunmurry
• Belvoir, Belvoir
• Woodstock, Cregagh

Blocks where clearance will take longer or whose future will be reviewed in light of impact of short term action

• Action:
  • Holding investment – structural repairs, sprinklers and component replacements (kitchens, bathrooms etc.)
Long term (11+ years)

7 Blocks include:
Cuchulainn, New Lodge
Eithne, New Lodge
Maeve, New Lodge
Grainne, New Lodge
Divis, Lower Falls
Whincroft, Braniel
Carnet, Ardcarn

Blocks with significant investment or where no opportunity/alternative at present

Longer term review re housing need and windfall sites

• **Action:**
  • Full improvements – cladding, sprinklers and component replacements
## Estimated 30 year Costs

<table>
<thead>
<tr>
<th>Cost Elements</th>
<th>Cost (£ms)</th>
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<tbody>
<tr>
<td>Planned investment</td>
<td>£34.3</td>
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<tr>
<td>Response/cyclical maintenance</td>
<td>£40.2</td>
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<tr>
<td>Management</td>
<td>£54.4</td>
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<tr>
<td>Tenants – Home Loss &amp; Disturbance</td>
<td>£5.5</td>
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<tr>
<td>Leaseholders – buy-backs, Home Loss etc.</td>
<td>£8.8</td>
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<tr>
<td>Demolitions</td>
<td>£23.0</td>
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<tr>
<td>New Build – construction</td>
<td>£52.7</td>
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<tr>
<td>New build – subsequent maintenance</td>
<td>£6.1</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>£225.0</strong></td>
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- Significant funding issues that will require discussion with the Department for Communities.
Other Issues

• New build
  • Several overspill sites would be housing association development
  • Proposal that redevelopment would be by Housing Executive

• Staffing issues
  • Impact on concierges/caretakers
  • Impact on Area Offices’ resources

• Telecommunications masts
  • Legal advice being sought in relation to any re-location obligations
Next Steps

• Consultation with stakeholders:
  • Presentation to Department for Communities completed
  • Presentations to elected representatives completed
  • Letters going out to tenants and leaseholders completed
  • Local consultation exercise with tenants and leaseholders on proposals and impact started in September 18
    • Block-by-block representative groups being established with SCNI
  • Affected staff and TUS underway
  • Telecommunications providers underway

• Report back to Board on the outcome of consultation January 18

• Final Action Plan presented to Board for approval

• Business Case to be submitted to Department for Communities and Department of Finance