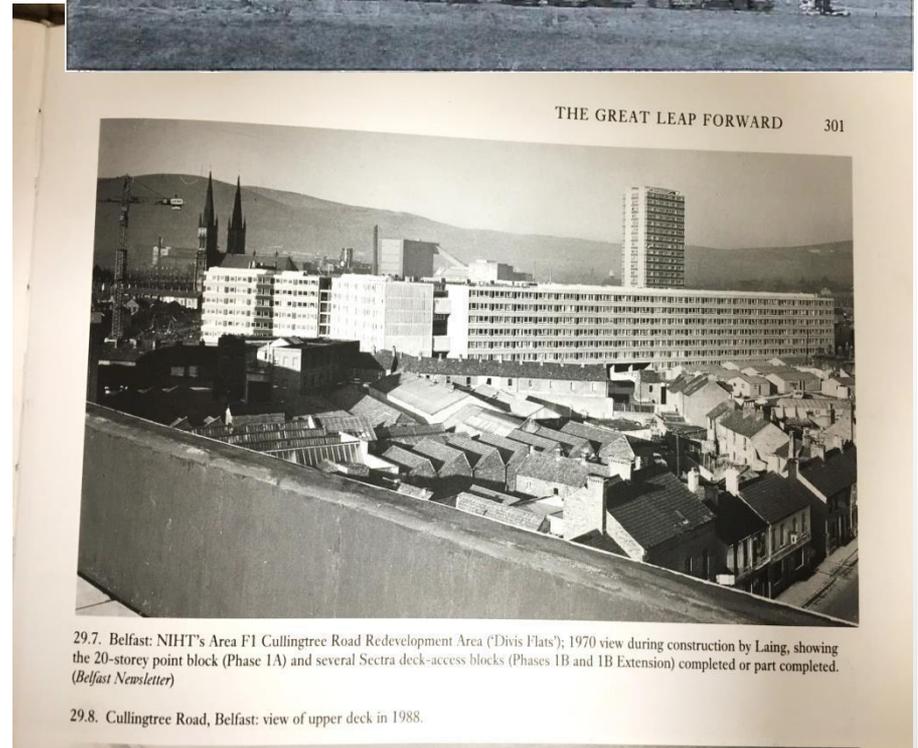


# Tower Blocks Draft Action Plan Briefing

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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



29.7. Belfast: NIHT's Area F1 Cullinstree Road Redevelopment Area ('Divis Flats'); 1970 view during construction by Laing, showing the 20-storey point block (Phase 1A) and several Sectra deck-access blocks (Phases 1B and 1B Extension) completed or part completed. (Belfast Newsletter)

29.8. Cullinstree Road, Belfast: view of upper deck in 1988.

# 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 & Coolmoynes 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

# 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

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

# 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, Ardcar

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

Cost Elements	Cost (£ms)
Planned investment	£34.3
Response/cyclical maintenance	£40.2
Management	£54.4
Tenants – Home Loss & Disturbance	£5.5
Leaseholders – buy-backs, Home Loss etc.	£8.8
Demolitions	£23.0
New Build – construction	£52.7
New build – subsequent maintenance	£6.1
<b>Total</b>	<b>£225.0</b>

- 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