

**January Full Council - Opposition Conservative Group amendment to Item 16
Title: “Protecting leaseholders from excessive insurance and remortgage costs in
buildings requiring fire remediation”**

*Proposer: Councillor Matt Hartley
Seconder: Councillor Roger Tester*

After “driving up the cost” add the following new heading:

“2. Gap between “safety” and “insurability””

After bullet point three in the following list, which starts “Developer ratings are often based on current and immediate safety measures...”, insert the following new bullet point:

“● The PAS 9980 code of practice for assessing the safety of external walls permits the retention of combustible insulation on buildings over 18m despite it only being permitted for a brief period between 2000 and 2006.”

Under “Council Calls upon the Government to”, add the number 1 to the first sentence and append “in full”, i.e. replace “Act upon the findings of the Grenfell Inquiry” with

“1. Act upon the findings of the Grenfell Inquiry in full.”

Under point 3, replace “3. The Government should back a risk-pooling reinsurance scheme” with:

“3. Back a risk-pooling reinsurance scheme, funded by a levy on developers,”

Add the following as additional point 4:

“4. Amend the PAS 9980 code of practice to require the removal of all combustible material on 18m+ buildings.”

Add to the end of the motion the following new paragraphs:

“Council notes that multiple developments across the Royal Borough of Greenwich are affected by this issue, and that each has particular individual circumstances that need to be considered.

Royal Artillery Quays

Council notes that, in the particular case of Royal Artillery Quays on Erebus Drive in West Thamesmead:

- this development has been identified as having potentially dangerous cladding after the horrific events of Grenfell Tower 7 years ago.
- leaseholders have been forced to shoulder the costs of extra 'waking watch' patrols and the increased insurance premiums, and have often been unable to re-mortgage or sell their properties during this time.

- the previous Government compelled Barratt Redrow (the initial builder) to pay for building safety improvements to properties in the Royal Artillery Quays.
- concerns have been raised by the RAQ Residents Association which believes the development does not have a compliant fire shaft despite it being a requirement when RAQ was built.

Council:

- regrets Barratt Redrow's intention to only improve Royal Artillery Quays blocks to a B1 level, the lowest possible pass rating for the system introduced after Grenfell and forcing leaseholders to pay higher insurance costs in perpetuity
- regrets the fact that Barratt Redrow intends to leave infill and spandrel panels containing combustible material (offering a high contribution to fire) in several locations, including the escape stairs that are the sole means of escape for residents
- welcomes the decision by the London Fire Brigade to issue an enforcement notice in relation to fire safety issues at Royal Artillery Quays

Council calls upon Barratt Redrow to:

1. make Royal Artillery Quays as safe as possible by remediating fully all failures to comply with building regulations and statutory guidance in force at the time of construction, including the provision of firefighting shafts and firefighting stairs
2. remove all combustible material from RAQ's external walls to ensure that the development receives an A1 EWS1 rating – the highest possible rating"

ENDS

As amended, the motion would read as follows:

Background: This year, we have passed the seventh anniversary of the fire in Grenfell Tower, which burned for more than 60 hours taking 72 lives. The Grenfell fire exposed a crisis of fire safety in high-rise building across our country, with a considerable number of buildings in the Royal Borough of Greenwich being found to have various levels of breaches of building regulations and the use of dangerous materials.

We believe that it is imperative that the developers and owners of all buildings over 18m in need of fire remediation work must be able to proceed with the removal of unsafe material as quickly as possible, and leaseholders should be protected from the costs of this work being passed on through fees and charges.

However, the response to this crisis from the previous Government was woefully slow, piecemeal, and created competing and contradictory safety standards for remediation work that has left residents burdened with high insurance premiums and mortgage difficulties.

Motion: This Council notes with deep concern the following:

1. Disparity in safety ratings between developers and insurers

Flammable material on homes poses a risk and while we cannot eliminate all fire risks, it is about managing them. The disparity arises from insurance companies and developers having varying priorities and perspectives.

In the wake of the Grenfell fire, insurance companies have added the heightened risk of whole block fires in many over 18m buildings. In many cases the risk is too high for single insurers are not able to cover on its own. So, leaseholders have left unable to get cover or brokers have turned to sourcing cover from multiple firms. The latter

2 Gap between “safety” and “insurability”

Developers often rely on building regulations and standards that they meet during construction, which may vary depending on the specific interpretation of safety requirements. These ratings can sometimes be less stringent than the criteria used by insurers, who often apply more rigorous standards based on their risk models and the potential liability they face in the event of a claim.

- Developers are focused on the present safety and adherence to construction standards, while insurers look at potential risks and historical data to predict future incidents.
- Developers aim to ensure the building is safe from the start, adhering to codes and best practices. Insurers, however, evaluate the likelihood of future incidents and how well risks are managed.
- Developer ratings are often based on current and immediate safety measures, whereas insurer ratings consider long-term risks and past performance.
- The PAS 9980 code of practice for assessing the safety of external walls permits the retention of combustible insulation on buildings over 18m despite it only being permitted for a brief period between 2000 and 2006
- Insurers are focused on the EWS1 certification process, which is a set way for a building owner to confirm for insurers that an external wall system on residential buildings has been assessed for safety by a suitable expert, in line with government guidance. It is however not a legal requirement to remediate to A1 standard with requirements for fire safety being B1, and this disparity creates confusion and frustration for leaseholders and unfairly increases premiums.
- There is a risk from flammable materials and the B1 rating have not given certainty to all stakeholders i.e. residents of Royal Artillery Quays and Insurance providers.

These differences in standards creates a gap between what developers consider "safe" and what insurers deem "insurable," resulting in challenges for leaseholders in securing affordable coverage. Although this mitigates the risk for individual insurers, they also escalate overall insurance costs for leaseholders, further exacerbating the financial strain on residents.

Council Calls upon the Government to:

1. Act upon the findings of the Grenfell Inquiry in full.

2. Bring forward a review how to better protect leaseholders from costs and take steps to accelerate the pace of fire remediation across the country. It is imperative that this review considers the findings from fires in Barking and Dagenham and determine what is acceptable on buildings, with a view of ruling out flammable materials. It must provide clarity for residents on if an A1 rating is necessary to ensure the highest standards of safety.
3. Back a risk-pooling reinsurance scheme, funded by a levy on developers, to help ensure quicker and more substantial reductions in the costs paid by leaseholders.
4. Amend the PAS 9980 code of practice to require the removal of all combustible material on 18m+ buildings

Council notes that multiple developments across the Royal Borough of Greenwich are affected by this issue, and that each has particular individual circumstances that need to be considered.

Royal Artillery Quays

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- this development has been identified as having potentially dangerous cladding after the horrific events of Grenfell Tower 7 years ago.
- leaseholders have been forced to shoulder the costs of extra 'waking watch' patrols and the increased insurance premiums, and have often been unable to re-mortgage or sell their properties during this time.
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Council:

- regrets Barratt Redrow's intention to only improve Royal Artillery Quays blocks to a B1 level, the lowest possible pass rating for the system introduced after Grenfell and forcing leaseholders to pay higher insurance costs in perpetuity.
- regrets the fact that Barratt Redrow intends to leave infill and spandrel panels containing combustible material (offering a high contribution to fire) in several locations, including the escape stairs that are the sole means of escape for residents
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1. make Royal Artillery Quays as safe as possible by remediating fully all failures to comply with building regulations and statutory guidance in force at the time of construction, including the provision of firefighting shafts and firefighting stairs
2. remove all combustible material from RAQ's external walls to ensure that the development receives an A1 EWS1 rating – the highest possible rating
3. join the Royal Borough of Greenwich in working constructively with the RAQ Residents Association, in a tripartite relationship, as these important matters are resolved.

ENDS