

A case study of the refurbishment of the Oxford Tower Blocks

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Leaseholders....

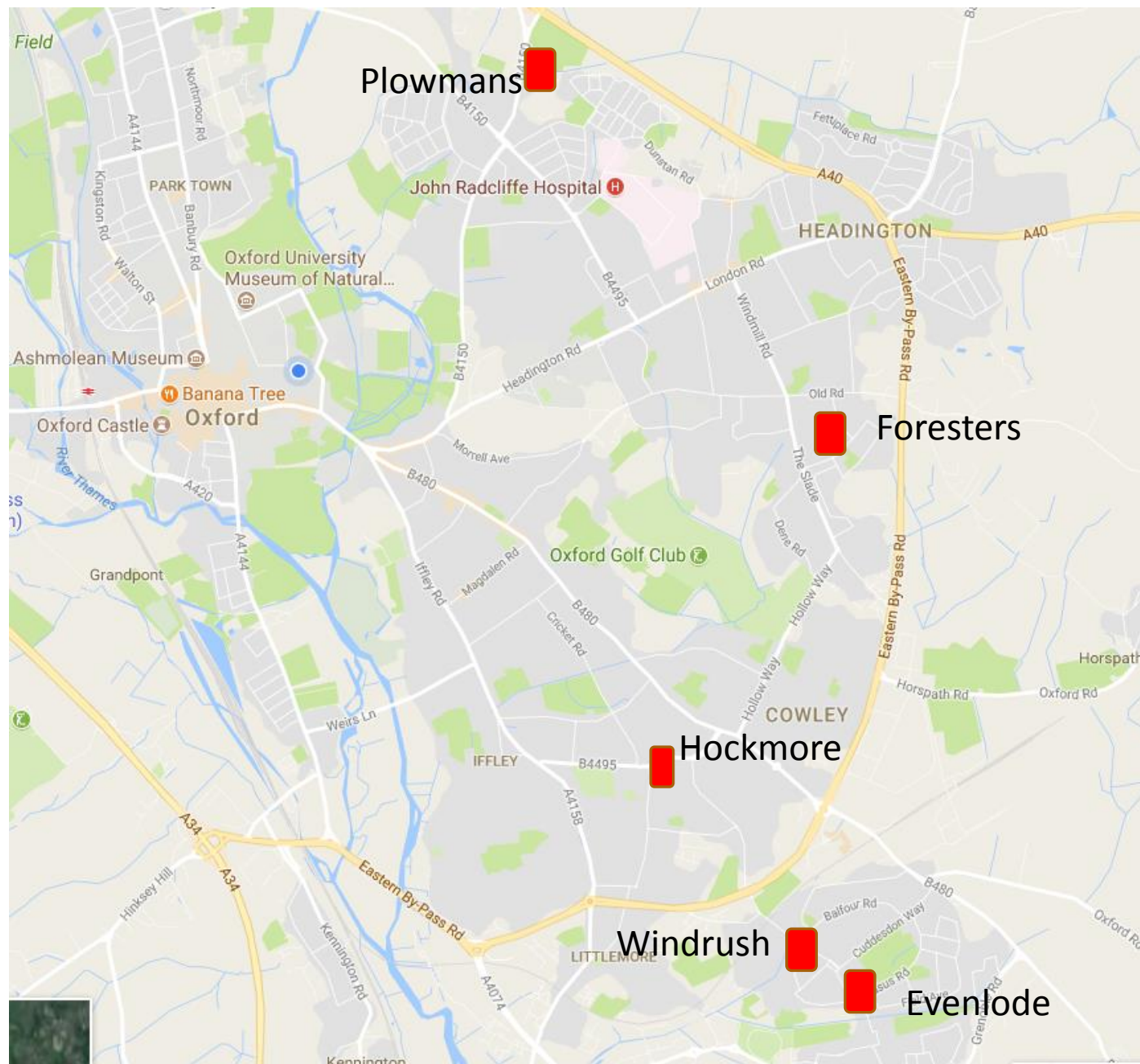
‘....there’s still a general culture of not really understanding of what leaseholders are in local authorities, they’re still not really geared up for it. They understand their tenanted stock and they understand the social rent and they’ve got their procedures, They haven’t really got their heads around what leaseholders are and how services charges are and what’s supposed to happen.’

‘....I’d say [housing associations are] better than local authorities, but ultimately it’s money. They spend lots of money in one go, It’s impossible for most individual people to deal with that.’

The Oxford Tower Blocks

- 5 Tower blocks, 348 flats
- Built in 1960s as social housing: all the tower blocks are still owned by Oxford City Council
- Reinforced concrete construction
- Blocks identified by the council in 2007 as needing refurbishment to prolong the buildings' life
- A £20m refurb project began in 2015, largely funded by the council from rent receipts but leaseholders expected to pay their share of the costs

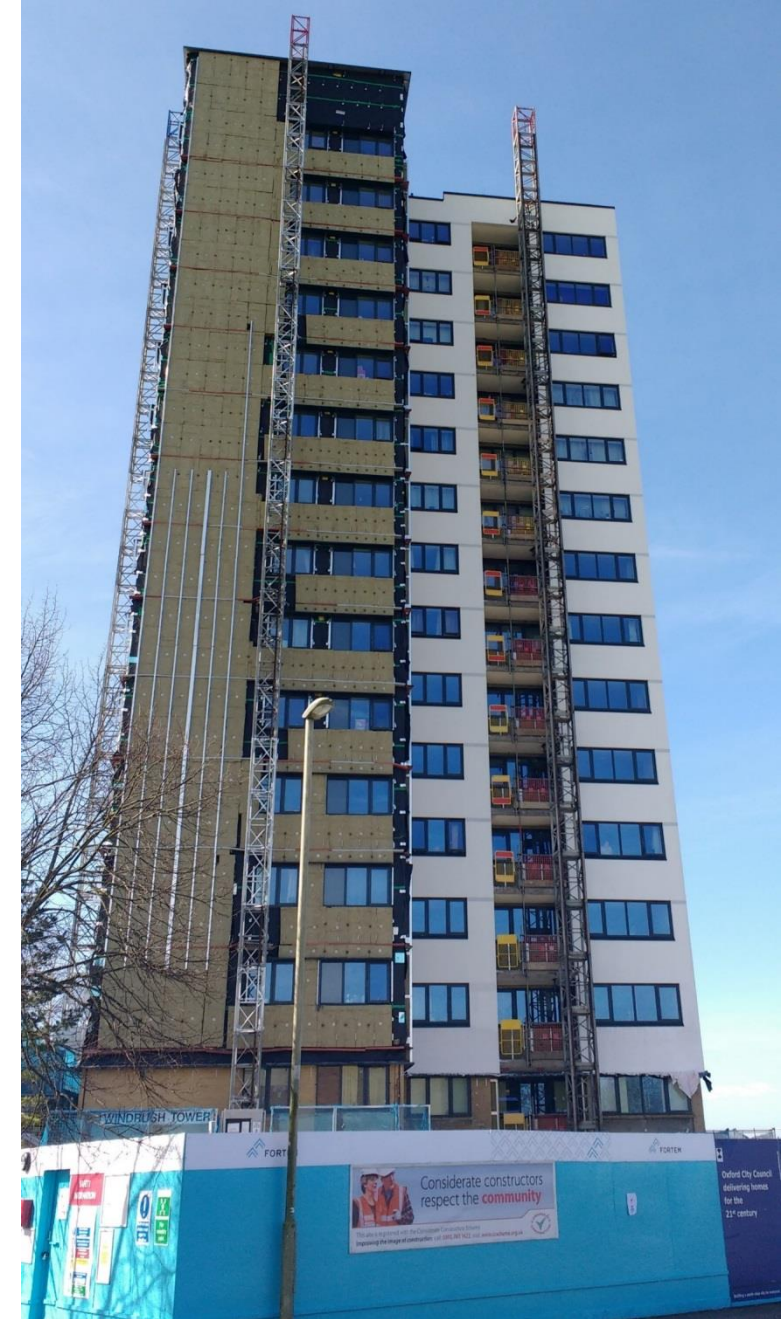




The refurbishment project

- Repairs to the communal structure;
- Over-cladding and additional insulation;
- Replacement of windows;
- New direct electric heating systems;
- Upgrading of the communal electrics and fire safety systems, and refurbishment of lifts;
- ‘Winter gardens’;
- Solar PV panels on one of the 5 blocks.

“There will also be work to improve the grounds, car parks, fencing, landscaping and front entrances”



Why?

‘Blocks could have a further life of at least 30 years proving that a number of structural and design faults were remedied’ (2007)

‘...reducing heat loss, cut fuel bills, and reduce fire risk. The quality of life for residents will also increase with the improved look and feel of the tower blocks.’

‘appropriate remedial works’

‘regenerate key housing areas’

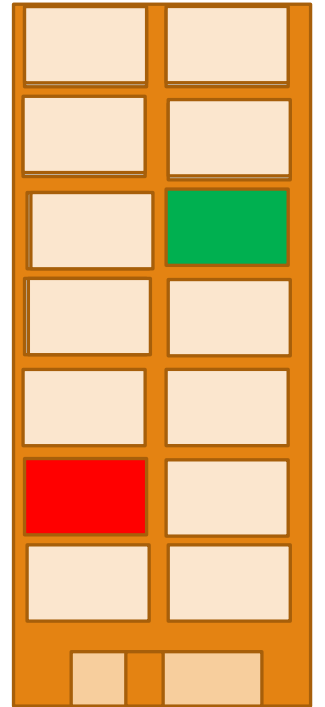
‘improve the visual appearance of the building in nearby and intermediate views’

‘sustainability at their core.....significant benefits in terms of reduced carbon emissions’ (Planning and other documents)



The leasehold flats

- Around 50 of the flats are privately owned
- Old style RTB leases: no recovery for improvements, no reserve fund/sinking fund
- 40% of the privately owned flats are rented out privately
- Typical value of leasehold flat - £100-£200,000





RTB estimates
2012 £9,500

Bills sent Jan
2016 £50,000

'...the bills really scared the leaseholders'



Oxford Mail

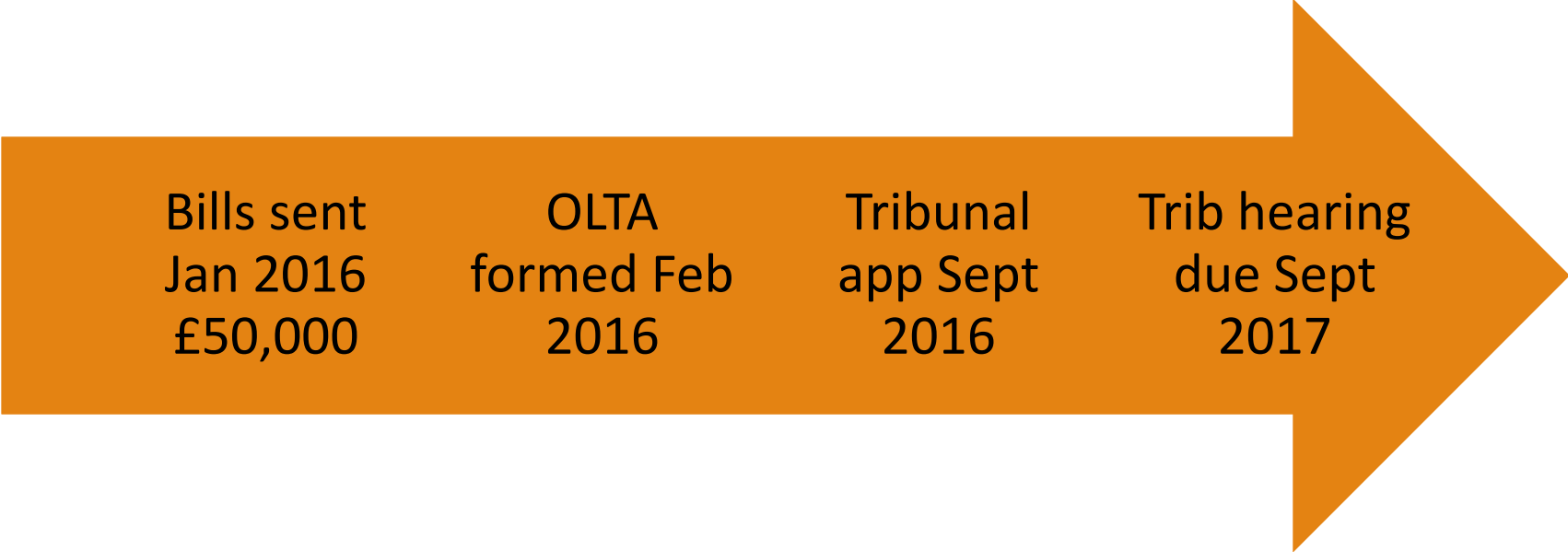
12 January 2016

LEASEHOLDERS are preparing to fight against £50,000 refurbishment bills for revamping the city's tower blocks.

Tenants in the building are not expected to pay anything but 51 leaseholder families are being asked to fork out “ridiculous” amounts for their share of the work.

Leila Stonehouse, 82, of Evenlode Tower, said her bill for work, including new windows, cladding and heating, had totalled £50,249.

She said: “I’m not going to pay. Why should I? We are having a meeting with the council on January 24 but I don’t know what I’m going to tell them.



Bills sent
Jan 2016
£50,000

OLTA
formed Feb
2016

Tribunal
app Sept
2016

Trib hearing
due Sept
2017

Consultation process

- **Formal process:** Section 20 consultation ticked the right boxes
- **Informal process:** 60 or so events (with *‘residents on the very basics of what they wanted’*)
- **Leaseholders perspective: *‘no real dialogue’***
 - *Okay, well the consultation ..., let me give you the questions which would be: what colour of cladding do you like? Do you like the design of the entrance?*
 - *.. I know there were quite a few sort of consultation meetings, but they tended to be midweek afternoons, so I couldn't go to any of them cus I was at work, so I don't really know what the content of those ones were.*
 - *So then this breakdown didn't give us any idea of what's essential and what's an improvement. And that's been one of our arguments as a leaseholder association, we haven't had any information about what we should and shouldn't pay, because we don't know what is an improvement and what is essential, and that hasn't been given to us or justified to us in anyway.*

The Tribunal Case

- Application made by OCC for all 5 TBs
- 2 hearings so far (case management; prelim issues)
- What can be recovered: test Tower hearing for 3 days in September 2017
- Leaseholders: *'massive workload'; 'mentally and emotionally very hard to go through'; '(Tribunal costs to OLTA) in the region of £50,000'*



Repair – Improvement?

... alternative garages nearby where possible.
Stores
The results showed us that a number of residents hadn't used their stores in years, with concerns
redesign of the site
This will mean that there will be 41 stores at Plowman Tower (currently 85).
We will be speaking to store users in more detail over the coming months.
www.oxford.gov.uk/towerblocksrefurb

Project Update

Our project to refurbish the five residential high rise tower blocks is progressing at speed with your support.

Designs have been developed following consultation and coordination with numerous groups.

The project is on target with works still proposed to start at the end of Spring 2015.

Contractors from the Homes and Communities Agency (HCA) framework have shown particular interest in the project and the plans will be submitted to the

This exciting and ambitious project will include new roofs, windows and heating systems; structural repairs and over cladding with improved insulation; improvements to fire safety including sprinkler systems; new entrance lobbies with improved security and arrangements for waste management and recycling; improved parking and storage facilities and external environmental improvements.

In addition to on-going resident consultations, we are undertaking specific consultation with leaseholders under Section 20 of the Landlord and Tenant Act 1985.

‘There were four leaflets distributed during the consultation process.... I counted the words which bear reference to the lease wording about the obligation of leaseholders.... "Repair", is mentioned ...four times all together.. [while] .."Refurbishment", "Improvement", and "New", mentioned, probably, about 30 times.

..effectively, all the wording is in wishy washy...statements’

Access – what rights to enter flats?

To permit the Council [etc] ... at all reasonable times ... to enter ... the premises ... for the purpose of **repairing** any part of the said building [not defined beyond reference to the Tower name] or any other adjoining or contiguous premises and for the purpose of **making repairing maintaining supporting rebuilding cleansing lighting and keeping in order and good condition** all roofs foundations [etc]... belonging to or serving or used for the said building or any part thereof AND ALSO for the purpose of laying down maintaining repairing and testing drainage gas and water pipes and electric wires and cables television aerials and associated apparatus (if any) and for similar purposes the Council



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Access

- Site manager: 50% of residents *had* refused sprinklers
- Some leaseholders refusing access
- Refusing access – resort to injunction is '*very common*' in this type of project
- Some residents believe changes made inside flat have devalued the properties



Helping the (low savings, and non-BTL) leaseholders to pay

- interest-free payments (*'which I worked out was about £1,300 per month'*)
- an equity share purchase option (council takes a share of the market value of the property, no cap)
- equity loan

'If payment had been spread over 30 years instead of asking for a lump sum I don't think we'd even be going to court'

Benefits of the refurbishment

- 1) direct benefits to the flat owner/resident from reduced energy bills and increased comfort;
- 2) benefits to the collective of flat owners/residents in the tower block, such as reduced nuisance and mess from pigeons;
- 3) benefits to the wider community beyond the tower blocks, particularly through aesthetic improvements but also e.g. reduced anti-social behaviour

Who pays, who benefits?

- How do we fairly allocate costs and benefits for energy efficiency in multi-occupancy buildings, particularly mixed tenure?
- Particularly a problem for mixed public/private buildings where the public owner can take into account wider societal benefits of the project when private owners have much narrower interests.
- And a growing problem:
 - As we move to less immediately cost-effective energy saving measures
 - With a global building stock with increasing tenure complexity

“... Oxford City has increased the [project] budget to £20m and widely advertised improvements and regeneration aspects under slogans such as “Building a world class city for everyone” [but]....neither improvements or ‘building cities’ are chargeable leaseholder obligations...”

(leaseholder statement recorded in Oxford City Council, 2016a).

Thank you

Acknowledgements

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