

## **Topic**

Financial support for individuals

## **Incident / Exercise**

Camberwell Fire (Lakanal), 3 July 2009

## **Background and Context**

At around 4pm on the 3 July 2009, a fire broke out in Lakanal, a 14 storey residential building on the Sceaux gardens estate in Camberwell, in the London Borough of Southwark. It took six hours to get the fire under control by which time, tragically, there had been six fatalities.

The fire was attended by 18 fire engines including a special unit and around 100 fire fighters. Early findings from the police investigation suggest the cause of the fire was an electrical fault in a portable TV set in a bedroom on the ninth floor.

More than 20 people including one fireman were admitted to hospital for smoke inhalation and minor injuries. Around 150 people were evacuated or rescued from the flats. More than 250 residents comprising 100+ households were left homeless on that evening.

As of January 2010 all residents had either been re-housed or had made their own arrangements for new accommodation. Lakanal has remained under the control of the police to varying extents since the fire. The pursuant and on going coroner's investigation has required that the site be preserved in its present post-fire state until further notice. To date, access to the site remains strictly controlled (July 2011).

## **How the Topic was Handled**

After the fire had been extinguished the entire building came under control of the police. There was no entry in or out of the building. Residents were suddenly displaced without the ability to return to their home even for the most important of belongings such as bank cards, passports and important documents. From immediately after the fire to being rehoused, residents were afforded multiple types of financial support depending on their personal qualification for each:

## **Emergency Payments**

Following the fire it was clear that residents would need funds to get by until they were able to a) obtain ID and necessary documents from their home to get money from the bank or b) organise new cards with their banks. This initial payment was termed an emergency grant and was calculated from state benefits. It took into account the size of the family, whether residents were elderly and the age of their dependents. Two weeks worth of payments were

paid to displaced residents in one cash transaction from the rest centre and then from the Cator Street resource centre when it opened. (see 'Needs of people – non health' topic).

### **Home loss payments**

Under the Planning and Compensation Act 1991, statutory home loss was paid to qualifying tenants and leaseholders who, through no fault of their own, had to be rehoused.

For Council tenants residing in the property for at least one year, the statutory home loss payment of £4,700 per household was paid upon termination of the Lakanal tenancy agreement. The Council resolved that rent arrears outstanding from their Lakanal tenancy were automatically deducted from the home loss total where the arrears were less than £100 or the tenant had not entered into a payment plan to repay the arrears or had breached such a payment plan. Where tenants had rent arrears but not breached their payment plan, tenants were given the choice to have them deducted from the home loss payment or to continue to repay them under the existing payment plan as former tenants' arrears.

For leaseholders, the home loss payment, calculated as a percentage of the property value was paid upon repurchase. Resident leaseholders received 10% of the property value and non-resident leaseholders received 7.5%. Any outstanding service charges were automatically deducted from the repurchase monies.

Private tenants of leaseholders also qualified to receive home loss payments on confirmation from their landlord or managing agent that they had officially terminated their Lakanal tenancy. Where any tenant had not resided in the Lakanal property for the minimum period of one year and there was no statutory requirement for a home loss payment to be made, the Council decided to exercise its discretion and offered such tenants a payment based on the amount of time they had resided in the property. Each tenant falling under this category received £2,100 plus an extra £50 for every whole week they had resided in the property up to the date of the incident.

### **Well being payments**

Well being payments of £1,000 per household were discretionally paid to those residents who did not qualify for the home loss payment. Despite recipients not being technically qualified for any such payment, it was felt by the Council that the level of trauma caused very suddenly by the fire warranted well being payments to make the process from displacement to a new home more comfortable.

## **Disturbance payments**

Under the Land Compensation Act 1973 disturbance payments were made to qualifying residents to compensate them for reasonable expenses incurred in moving; for example, removal expenses, cost of altering soft furnishings, re-connecting movable fixtures and fittings and telephone re-connection charges.

## **Repurchasing of leasehold interests**

With such uncertainty over the length of time that leaseholders would be unable to access their homes, and with the strictly controlled access arrangements inhibiting the leaseholder right to peaceful enjoyment of their home, the Council offered to repurchase all the leasehold interests in the block. There were nine leaseholders in total, only two of which were owner occupiers.

As of the 31 March 2011, twenty months on from the fire, all leasehold interests in Lakanal had been repurchased

## **Storage costs**

As soon as it was possible to do so, retrieval visits were made by the residents to their former homes to assess what belongings could be taken then, and which items were to be put in storage. The Council offered the services of their contracted removal companies to residents free of charge. Once a household had settled into their new permanent accommodation, they had their belongings re-delivered.

## **Furniture packs**

Many residents' furniture was destroyed in the fire, the majority by water damage. New permanent accommodation is not usually furnished at tenancy sign up and it can take some time for home loss payments and disturbance payments to be processed. To help our residents through this difficult time and to bring some comfort during a traumatic and sudden relocation, furniture packs containing basic items like tables and wardrobes were provided free of charge. It was a small but appreciated pack that hopefully would have made that first day in a new home a little more comfortable.

## **Donations**

Over £8,000 in donations was received from members of the general public or local community organisations. Responsibility for the money was given the Sceaux Gardens tenants and residents association (TRA) who spent it on vouchers for various home-ware stores and distributed them among the displaced residents of Lakanal. It was a well received gesture and many residents contacted the TRA directly to thank them for the gift.

## **In summary**

Approximately £500,000 was paid to residents in emergency, well being, disturbance and home loss payments.

Approximately £1.2m was used to repurchase the nine leasehold interests in the block.

## **Lessons learned**

**Quick decisions on payments:** Under normal circumstances, emptying a block of flats for vacant possession would occur over a longer period of time. At Lakanal, the Council was faced with the immediate need to permanently re-home 98+ families. This involved considering all of the sources of finance described above and not all cases were straight forward. Quick decisions on payments, the use of discretion in more complicated cases and meeting statutory obligations were key to minimising stress for displaced residents. It was much harder to make decisions quickly in relation to homelessness and disturbance, where a complex set of statutory rules had to be negotiated, than for other payments where the Council was able to use its general well-being power. The broader and more flexible the powers that Councils have, the easier it is to respond to unforeseen and urgent circumstances.

**Corporate Credit Cards:** These were introduced following instances where senior officers were forced to book temporary accommodation and buy supplies with their own money and then seek repayment. To avoid this situation in future incidents where emergency temporary accommodation is required *en masse*, further numbers of senior officers from departments involved in emergency situations have been issued with credit cards with a £30,000 maximum but no transaction limit. Temporary accommodation can involve significant transactions, particularly if a family is large or has specific requirements such as disabled access.

**Tenants and residents association impact:** The TRA were brilliant from day one and residents may well have benefited from another organisation other than the Council reaching out with help. The TRA allowed the Council to use their community hall as a base for re-assurance visits to the Sceaux Garden Estate residents following the fire and they brought a smile to residents' who have just gone through a traumatic few weeks, by issuing the donations in the form of home ware vouchers that could be used to brighten up residents' new homes.

## **Contacts for Further Information**

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