



# Department for Levelling Up, Housing & Communities

**Rt Hon Michael Gove MP**  
*Secretary of State for Levelling Up, Housing and  
Communities*  
*Minister for Intergovernmental Relations*

**Department for Levelling Up, Housing and  
Communities**

4th Floor, Fry Building  
2 Marsham Street  
London SW1P 4DF

To all MPs in England

Email: [michael.gove@communities.gov.uk](mailto:michael.gove@communities.gov.uk)

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Dear Colleagues,

## GOVERNMENT APPROACH TO BUILDING SAFETY

The current position on building safety remediation is not working – there is still a small number of genuinely dangerous buildings with unsafe cladding more than four years after the Grenfell Tower tragedy; the current market response is not based on a properly granular assessment of the real risk of life-threatening fires in medium and high-rise buildings and is driving an over-cautious approach to assessment and remediation. Blameless leaseholders, who have worked hard to get on the home ownership ladder, are left trapped with expensive bills and flats they cannot sell.

To address these issues, the government has today set out the four key principles that will underpin our renewed approach to building safety as part of our ongoing reform of the building safety regulatory system, namely that:

1. we must **take a proportionate approach in building assessment overall** – too many buildings are being judged to require expensive remediation or mitigation works, and leaseholders are being trapped by an over-cautious approach that goes beyond what we consider necessary;
2. we must **protect ordinary leaseholders** from bearing the bulk of the cost for remediation and mitigation of fire risks, as they are currently;
3. those industries **at fault must pay** - those who built and contributed to our stock of unsafe buildings, and those who continue to cut corners in building safety must pay to fix defects, instead of taxpayers or leaseholders; and
4. we must **hold to account** those individuals and companies who have, and continue to, knowingly put lives at risk.

While the government reorients its approach around these principles, it is also right that the bereaved families and survivors of the Grenfell Tower tragedy deserve justice, which must be served not only through the Inquiry and police investigations, but also through a real legacy of lasting change and reforms to building safety that are being placed into law through the Building Safety Bill.

We are determined to do everything we can to ensure residents and leaseholders living in affected buildings are protected from the risk of catastrophic fire and financial burden caused by essential remediation. My commitment to them is that they will not bear the burden of fixing historical cladding defects that are no fault of their own. Instead, those in industry who

designed, developed, and profited from unsafe buildings, and those who are making the situation worse, should pay the price of remedying past failures.

### **Taking a proportionate approach in building safety assessment**

We must look to the situation that many resident leaseholders find themselves in today. Too many buildings have been declared, or assumed to be, unsafe through a failure to exercise proportionate professional judgement. This is holding up mortgage applications and sales, leaving many people facing unnecessary costs and anxiety over the safety and value of their homes.

We must restore a common-sense approach to the assessment of risk by fostering a culture of proportionality and by preventing those who would seek to profit from the crisis from doing so. In July, my department published advice from an independent group of leading fire safety experts, which concluded that there is no systemic risk of fire in medium-rise blocks of flats. There have been too many unnecessary surveys: medium-rise buildings should be considered safe unless there is clear evidence to the contrary, and sensible risk-management and mitigation measures should be considered where appropriate.

We are withdrawing the Consolidated Advice Note today, which has been misinterpreted and thus driven an over-cautious approach to building safety. I have taken steps to provide a clear framework for proportionate risk assessments and we are supporting the Publicly Available Specification 9980 (PAS9980), which will be published by the British Standards Institution later this week. PAS9980 will provide proportionate guidance for those making assessments of external wall systems. Further detail about how it will ensure greater consistency and transparency for those managing or living in the buildings concerned will be made available on gov.uk.

Alongside this, we will also forward a new professional indemnity insurance scheme before Easter to indemnify building assessors conducting external EWS1 wall assessments. We will audit these assessments to provide assurances that new guidance is being implemented so that expensive remediation is only undertaken where it is necessary to protect a genuine risk to life.

The Royal Institution of Chartered Surveyors has been engaged throughout the development of PAS9980. In response to the recent independent review asking for greater scrutiny of its governance and mandate to operate in the public interest, I intend to signal the Government's intention to take a more active role in reviewing the governance of RICS and its mandate to operate in the public interest.

I am reviewing how our major remediation fund (the Building Safety Fund) should take account of this new approach. The aim is to ensure that it is risk-driven and where the new risk assessment process finds acceptable alternatives to remediation the scheme can accommodate this, saving taxpayer funding, accelerating works, and avoiding unnecessary worry and inconvenience for leaseholders. We are also taking steps to improve the information available to leaseholders and residents about the progress of their buildings remediation with a new online service for leaseholders and residents that will provide direct access to information about the stage their building has reached in the funding process.

The measures taken today are the start of the process of removing unnecessary barriers in the mortgage market; I recognise that further work will be needed in future to ensure that we deliver proportionality across the system.

### **Protecting leaseholders**

I commend the efforts of those colleagues who have campaigned so passionately on this subject and trust that the principles we are expressing today underline a commitment to ending

the building safety crisis. We are scrapping the proposal for loans and long-term debt for leaseholders living in their own homes in medium-rise buildings; they will now not be asked to pay to fix historical cladding defects that are no fault of their own.

We will replace the previously proposed loan scheme for leaseholders in medium-rise buildings with an alternative scheme funded by industry that delivers proportionate remediation of cladding defects, alongside a further push to make sure developers fix the unsafe buildings they built. This will mean that no leaseholder living in medium or high-rise buildings will be required to pay for costs associated with remediating unsafe cladding, enabling us to finally signal a fair resolution to the cladding scandal.

The government is taking practical steps to support leaseholders immediately. Shortly an additional £27 million will be made available to fund fire alarms to end the misuse of waking watches. I am taking steps to make it easier for shared owners affected by this crisis to sublet their homes where they want to, by amending current grant funding guidance and encouraging mortgage lenders and freeholders to approve subletting arrangements. These changes will apply to shared ownership homes developed using government grant schemes.

It is also our intention to make sure that no leaseholder loses their home due to forfeiture from historic fire safety remediation costs. Forfeiture allows landlords to terminate the lease for a property and take back the entire value of the property, understandably it is a serious concern for many beleaguered leaseholders. I am working with cross-Government colleagues to prevent this.

We are also exploring further statutory protections for leaseholders and my department will engage across both Houses on this work over the next few months. As part of this, to enable more homeowners to pursue claims for defective work from those responsible I am introducing an amendment to the Building Safety Bill to extend the right of homeowners to challenge defects under the Defective Premises Act 1972 in homes that are up to 30 years old.

### **Ensuring those at fault pay**

The industries that created the problem need to take responsibility and pay to fix it. We have made a start towards industry funding through the Residential Property Developer Tax announced at the Budget and we are taking powers to introduce a levy on certain high-rise buildings through the Building Safety Bill. We will now go further; I will today be writing to developers to convene a meeting in the next few weeks. I will work intensively with them to give them the chance to do the right thing. If they do not then, if necessary, we will impose a solution upon them in law.

### **Ensuring that industry is held to account**

While we press on with making buildings safe, my department will make sure that those who manufactured dangerous products, built unsafe buildings, and knowingly put lives at risk are held to account.

I am revisiting my department's approach to ensure that we are doing everything we can to pursue accountability for all those affected by the building safety scandal and, of course, particularly for the Grenfell community. We have recently acted to ensure that Rydon Homes does not benefit from the Help to Buy scheme, due to their links to Rydon Maintenance, the company responsible for the refurbishment of the Tower. Our intention is to go further still.

I am establishing a dedicated team within the department focused on hunting down those responsible for the current building safety crisis. We will begin by reviewing Government schemes and programmes to make sure that, in accordance with due process, there are commercial consequences for any company who is responsible for this crisis and are refusing to help fix it.

The construction industry must do more to take responsibility for the impact that their products and buildings have on people's lives. Today's report from Dame Judith Hackitt's Industry Safety Steering Group warns that we are not seeing a critical mass of industry actors demonstrating sufficient commitment to culture change which is vital to rebuilding trust. This must change. Industry must go further and faster, building on promising initiatives like the *Building a Safer Future Charter* and the *Code for Construction Product Information*.

Government needs to do more too. We have today published guidance on how procurement professionals can make sure that procurement processes incentivise actors in the supply-chain to make sure that buildings are safe, rather than cut corner to minimise costs. We will work with industry to support those who lead the way and push laggards to catch up.

We will also bring forward measures to fulfil commitments made in the Social Housing White Paper, when parliamentary time allows, which will rebalance the relationship between landlords and tenants, so social housing tenants cannot be casually ignored, as those at Grenfell were over many years.

The measures announced today strengthen our commitment to deliver a much-needed overhaul of the building safety system, making sure that residents are safer in their homes now, and in the future. I would like to thank colleagues for your ongoing engagement and encourage you to support the passage of the Building Safety Bill when it returns to the House so that we can progress with these vital reforms.

**With every good wish,**

A handwritten signature in black ink that reads "Michael Gove". The signature is written in a cursive, flowing style with a large initial 'M'.

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and Minister for Intergovernmental Relations**