



Ministry of Housing,
Communities &
Local Government

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Lord Greenhalgh

*Minister of State for Building Safety, Fire and
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Dear Iain,

Thank you for your email of 18 June to the Rt Hon Christopher Pincher MP on behalf of constituents who are concerned about the costs of remediating building safety defects. I am responding as the Building Safety Minister.

We have been clear that building owners and industry should make buildings safe without passing on costs to leaseholders. Where they have not stepped up, we have intervened by providing grant funding for the removal of unsafe cladding on all buildings of 18 metres and above in height. The total amount of this grant funding scheme represents a globally unprecedented investment of over £5 billion in building safety which will protect hundreds of thousands of leaseholders from the cost of replacing unsafe cladding on their homes.

Our approach prioritises action on buildings 18 metres and above because the risk to multiple households is greater when fire spreads in buildings of this height – we have already provided £1.6 billion of funding for these buildings and a further £3.5 billion of grant funding has also been announced.

However, we want to go further. Through an additional package, we will provide a financing scheme to support the remediation of buildings of between 11-18 metres in height with dangerous cladding. As part of this financing scheme, leaseholder payments towards remediation costs will be capped at a maximum £50 per month. Therefore, instead of a potential cladding bill running to tens of thousands of pounds, the most a leaseholder will now have to pay towards remediation of unsafe cladding is £50 per month. Further details of this scheme will be made available as soon as possible.

Longstanding independent safety advice has been clear that unsafe cladding poses the greatest risk to buildings because it can act as a fuel to a fire. The costs for remediating unsafe cladding are high, and the risks posed by it are also high. This draws a line under the biggest problem in building safety.

It is important to note, though, that government support does not absolve building owners of their responsibility to ensure their buildings are safe, and they should consider all routes to meet costs, protecting leaseholders where they can - for example, through warranties and recovering costs from contractors for incorrect or poor work.

It is also fundamental that the industry that caused this legacy of unsafe buildings contributes to setting things right, and we will be introducing a new levy and tax on developers to ensure industry contributes to the cost of cladding remediation.

The Government has already gone out to consultation on a new developer tax which will aim to raise around £2 billion over 10 years (the consultation closes at the end of July):

<https://www.gov.uk/government/consultations/residential-property-developer-tax-consultation>

It is anticipated that the tax will apply to all phases of development, from land acquisition to marketing and sales.

Our five-point plan announced in February also introduced a levy on major developers which we expect to be introduced at the Gateway 2 stage of the new Building Safety Regime. We will be setting out details of the developer levy in due course.

With regard to amendments to the Fire Safety Bill, this passed into law, on 29 April, as the Fire Safety Act 2021. The Act does not include remediation of historic defects, which the Government believes are more properly addressed in the forthcoming Building Safety Bill, which was introduced into Parliament on 5 July.

The proposed amendments to the Fire Safety Bill may have led to legal disputes which could have been costly for the taxpayer and delayed remediation, including minor works.

The new regime being introduced through the Building Safety Bill will require those accountable for higher-risk buildings to actively manage any fire and structural safety risks through a new process, which will be overseen by the new Building Safety Regulator. This will ensure that proportionate steps are taken to deal with these risks through prevention, control, and ongoing management. The approach will take into account both safety and cost.

I hope this information is of help to you and your constituents. Thank you for writing in on this important matter.

Yours sincerely,



LORD GREENHALGH