



Department for Levelling Up, Housing & Communities

Rt Hon Michael Gove MP

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**Department for Levelling Up, Housing and
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Dear Residential Property Developer Industry

GOVERNMENT APPROACH TO BUILDING SAFETY

Following my statement in the House of Commons on building safety, I am writing to ask you to work with me to deliver a lasting industry solution to fix this crisis.

In relation to 11-18m buildings, the vast majority are safe. Others that do have combustible cladding may also be safe or can be made safe through effective use of existing or new fire safety measures such as sprinklers and alarms.

Requires the pragmatic approach and relaxed indemnity by the withdrawal of Consolidated Advice Note (CAN)

Does not consider a holistic risk assessment to the building now required under PAS 9980 - Fire Safety Act. The cladding in isolation may be mitigated by the use of sprinklers or an L5 fire alarm system but when compounded with poor workmanship to passive fire protection within the cavity and potential workmanship issues to internal compartmentation some level of remedial works may still be necessary.

There are, however, a small number of residential buildings with unsafe cladding which must be addressed.

This does not address the workmanship issues that may be revealed following the mandatory FRAA under PAS 9980 required by the Fire Safety Act.

It is neither fair nor decent that innocent leaseholders, many of whom have worked hard and made sacrifices to get a foot on the housing ladder, should be landed with bills they cannot afford to fix problems they did not cause.

Government has accepted its share of responsibility and made significant financial provision through its ACM remediation programme and the Building Safety Fund. Some developers have started doing the right thing and funded remedial works and I commend them for those actions. But too many others have failed to live up to their responsibilities.

I am now offering a window of opportunity, between now and March, for the industry as a whole to work with my department through open and transparent negotiations to agree a settlement that will restore confidence and ensure the industry that caused the problem pays to fix it.

A new deal with industry must be built around clear commitments from developers, that you should:

1. Agree to make financial contributions this year and in subsequent years to a dedicated fund to cover the full outstanding cost to remediate buildings, estimated currently to be £4bn;

This relates to unsafe cladding only. With an estimated 35,000 buildings 11-18m that need remedial works and an average cost of £2m per building this works out as an average contribution of £114,285 per building approx. 5.7% of the estimated average contract sum.

2. Fund and undertake all necessary remediation of buildings over 11m that you have played a role in developing (ie both 11-18m and 18m+). Any work undertaken by developers themselves on 11-18m buildings will reduce the total cost of cladding remediation that has to be paid for through the proposed 11-18m fund; and

We suspect this also means a Registered Provider (RP's) who has used a contractor.

3. Provide comprehensive information on all buildings over 11m which have historic fire safety defects and which you have played a part in constructing in the last 30 years.

This should be the responsibility of the building owner. Most information held by companies is destroyed after 12/6 years.

I hope you will also commit to work with us to take forward all necessary remediation work at pace – prioritising those buildings with the greatest risks first and in all cases finding the quickest and most proportionate solution to make buildings safe.

I will open discussions through a roundtable that brings together 20 of the largest housebuilders and developer trade bodies, followed by ongoing negotiations with all those in scope.

In addition, given leaseholders and those affected by the Grenfell Tower tragedy are central to this process, we will be working closely with them throughout and will bring them to the table to discuss solutions at appropriate junctures. I do not intend for these discussions to take place behind closed doors.

I expect a public commitment to this framework by early March. At that point we must have a clear, fully-funded plan of action that we can make available to the public and to affected leaseholders.

I am sure you are as committed as I am to fixing a broken system. I want to work with you to deliver the programme I have set out. But I must be clear, I am prepared to take **all steps necessary** to make this happen, including restricting access to government funding and future procurements, the use of planning powers, the pursuit of companies through the courts and – if the industry fails to take responsibility in the way that I have set out – the imposition of a solution in law if needs be.

More of a threat to RP's and Developers who help to buy unless they propose a ban via public procurement regulations

Our home should be a source of security and pride. For too many of the people living in properties your industry has built in recent years, their home has become a source of misery. This must change.

I look forward to working with you over the coming weeks to deliver a just deal for industry, leaseholders and the taxpayer.

With every good wish,



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