

Public Accounts Committee

Oral evidence: The Remediation of Dangerous Cladding, HC 362

Monday 3 February 2025

Ordered by the House of Commons to be published on 3 February 2025.

[Watch the meeting](#)

Public Accounts Committee members present: Sir Geoffrey Clifton-Brown (Chair); Mr Clive Betts; Nesil Caliskan; Lloyd Hatton; Chris Kane; Rebecca Paul.

Housing, Communities and Local Government Committee member present: Joe Powell.

Gareth Davies, Comptroller and Auditor General, National Audit Office, Helen Hodgson, Director, National Audit Office, and David Fairbrother, Treasury Officer of Accounts, HM Treasury, were in attendance.

Questions 1-121

Witnesses

[I](#): Giles Grover, End Our Cladding Scandal; Councillor Adam Hug, Leader of Westminster City Council and Chair of the Local Infrastructure and Net Zero Board, Local Government Association; Rhys Moore, Executive Director of Public Impact, National Housing Federation; and David O’Leary, Executive Director, Home Builders Federation.

[II](#): Sarah Healey CB CVO, Permanent Secretary, Ministry of Housing, Communities and Local Government; Ben Llewellyn, Director for Remediation Policy, Ministry of Housing, Communities and Local Government; Richard Goodman, Director General for Buildings and Resilience, MHCLG; and Helen Fisher, Programme Director, Cladding Safety Scheme, Homes England.

Report by the Comptroller and Auditor General

Dangerous cladding: the government's remediation portfolio (HC 303)

Examination of witnesses

Witnesses: Giles Grover, Councillor Adam Hug, Rhys Moore and David O'Leary.

Chair: Welcome to the Public Accounts Committee on Monday 3 February 2025. Today, we are returning to the important topic of dangerous cladding following this Committee's last Report, in 2020, which highlighted the slow progress in remediating high-rise buildings.

The Government's remediation programme has since expanded in response to the evolving cladding crisis, but the NAO has warned that there is still a long road ahead, and that it may take another decade before all affected buildings are made safe. Many uncertainties and risks to taxpayer money and to the delivery of the programme remain. Unfortunately, many residents continue to suffer emotional distress and face huge financial burdens as a result of this crisis.

We are grateful to the large numbers of individuals who have taken the time to submit evidence to this inquiry. Today, we are fortunate enough to have an expert stakeholder panel in front of us, ahead of our questioning of Government officials later this afternoon. We look forward to hearing from all of you about how things are working out on the ground, and about the key risks and challenges facing the remediation programme.

To help us, we have our esteemed panel. Starting on my right, we have Giles Grover, representing End Our Cladding Scandal, a resident-led campaign aimed at fixing the cladding and building-safety issues. Giles has been heavily involved in the campaign since 2017, when he was told that his home in Manchester was unsafe in the wake of the Grenfell Tower fire.

In the centre, we have David O'Leary, executive director of the Home Builders Federation, which is well known to all of us; it is the representative body of the home-building industry in England and Wales. David has been a board member since 2023, I gather.

We then have Rhys Moore—again in the centre—the executive director of public impact for the National Housing Federation. The NHF is the representative body for housing associations providing social housing in England. Rhys has worked there since 2018 overseeing policy and external affairs.

And last, but by no means least, we have Councillor Adam Hug, leader of Westminster city council and chair of the Local Government Association's local infrastructure and net zero board. The board provides strategic oversight of the LGA's planning, infrastructure and housing activity, including building safety, and Councillor Adam Hug has been the leader of

the Labour group in Westminster city council since 2015. I am sure you are all awaiting Wednesday's announcements with interest.

Can I extend a very warm welcome to all of you? We are very much looking forward to what you have to say, and we will keep moving at pace to try to cover as much of the ground as possible. To help us with this, I welcome our guest member, Joe Powell, the Member of Parliament for Kensington and Bayswater and a member of the Housing, Communities and Local Government Committee. Joe, would you like to start with the first question?

- Q1 **Joe Powell:** Thank you, Chair. My opening question is for Giles: how confident are you that the new remediation action plan will deliver for the residents that you have been campaigning with?

Giles Grover: I am not at all confident, to be blunt. I am sure that officials are patting themselves on the back for announcing a target date of 2029, but that is still five long years away, and it is only for some buildings—the high-rise buildings that are in grant funding schemes, which were first known about in 2020. I think the target date is essentially meaningless to most people. People really want to know when their home will be made safe, whatever height it is. Simply having a high-level date of 2029 for some buildings just will not mean anything.

There are also still too many issues and too many barriers. There is no consistency in risk assessments. A lot of the issues that we have shared with the Government for years, and which leaseholders and residents have shared, and told the Government about, are just not being addressed. Whether it is about non-qualifying leaseholders, non-cladding defects, shared ownership, or under-11-metre buildings—where there is a case-by-case approach that has failed—I do not know how I can be confident in a plan when the actual issues and the barriers to remediation have not been addressed. I could expand upon non-cladding defects and a range of other things, but I appreciate that time is tight; we could probably be here for a few hours if you let me talk too much.

- Q2 **Joe Powell:** On the list that you mentioned, are there things that you would have liked to have seen included in that plan that would have given you more confidence?

Giles Grover: Yes, there are a few things. The starting point is this. We have always said this is a collective state and industry failure. Successive Governments of all stripes have deregulated and ignored warnings. There has been industry bad practice across the sector. But leaseholders and residents are still the ones paying for all this, so there needs to be a firmer grip, and that grip could quite easily be done by a lot of the machinery in place right now. We think the Homes England cladding safety scheme is ideally placed to do that as a single front end for leaseholders and residents, working with the Leasehold Advisory Service, the Government, the Building Safety Regulator and local regulators, and just joining it all up.



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That is probably the first thing that we need. We need a single version of the truth for all unsafe buildings that require remediation, because right now you have local regulators and they cannot enforce on the developer contract. You have resident management companies forced to put in a waking watch. The developer is not obliged to pay for that. How do we actually work all this? There is too much buck passing. There are too many blame games going round.

We still do not have a solution for non-cladding defects at group level. Over the years, we have shared information on many buildings with the building safety fund, with officials, saying, "Look at these issues. What can you do about this? Remediation is being held up by these fire safety defects, these variations, latent defects." We have a lot of buildings that have been moved from one list to "Completed" when they still have issues. I know plenty of those. We shared information on them in August with the Building Safety Fund, but we do not know what policy or guidance has been developed from that.

So we need a fresh approach, but using what is in place right now and taking the victims of this crisis—whether non-qualifying leaseholders, shared owners or people in under-11-metre buildings, who were ruled out of all help—and putting them at the heart of the process, putting them at the centre, and making the changes we need. Then you accelerate remediation, because you will have got rid of the barriers and the pain, suffering and harm that is being caused right now.

Chair: Thank you very much, Mr Grover; that is a helpful introduction. Clive Betts, please.

Q3 **Mr Betts:** First, I declare an interest as a vice-president of the Local Government Association. Could I just say this to Giles, to whom I am going to address these questions? I think you and your colleagues ought to be congratulated on the campaign you have run ever since the Grenfell disaster.

Giles Grover: Thank you.

Mr Betts: You have really highlighted this—not merely exposed it as an issue that needs dealing with, but put forward very practical and real suggestions about how it should be dealt with. We put that on the record at the beginning.

In terms of the barriers, there is the issue mentioned in answer to the question from Joe Powell: is it down to money at the end of the day? If we had more money, would the barriers be solved? Is the issue just that there is not enough money in total, or is it that the money does not deal with certain problems that remain and need to be addressed?

Giles Grover: It is a combination of things. The money is always the thing that everyone focuses on, but as we have said for a long time the issue is that because of the deregulation, because of the lack of real oversight of what was being built and because of the weak national standards—class O for fire spread, which has now been withdrawn—it is now up to the

Government to provide the certainty. Right now, you have fire-risk appraisal of external walls and it is so subjective. You could put 15 fire engineers in a room to do a FRAEW, and they would all come up with a different opinion.

So the Government need to provide the certainty of risk assessments for all buildings, of all heights and all defects, inside and outside. Then you can actually focus on the size of the problem. Whether it involves the Home Office and the fire safety in purpose-built blocks of flats guidance that has been delayed for years or whether we need something like a PAS for the internal standards—we were told one would come out in April 2025 from the BSI; now, that is October 2025—that certainty is your starting point, and then it is a case of simplifying everything. Right now leaseholders and residents are being pushed from pillar to post: “Have I got a developer? Is it a freeholder? Do I go to the Government? Is it the housing association? Who do I speak to?” You would get that single front end.

Then we talk about the money. We have got billions out there already. Those billions—£5.1 billion in 2020 and 2021—will not go as far now. We still have residential property developer tax that has not been hypothecated. But you need to get more money from the industry, because that is what the Government have said all along.

If it is the industry that is at fault—alongside successive Governments, which we will keep saying—the innocent leaseholders and residents should be protected. You can extend the duration of the building safety levy. You can have more product manufacturers—who knows whether they will ever be held to account? As you well know, given your questions in Parliament last year, with social housing there is the issue of contractors as well. Contractors are currently engaged in lengthy disputes—as Rhys will no doubt say—with each and every housing association.

Q4 Mr Betts: The Levelling Up, Housing and Communities Committee in the last Parliament recommended we should have something called a comprehensive building safety fund, whereby the Government took responsibility for the tally of the problem and then themselves sought to get the resources in from different players. In other words, it took the weight of responsibility off leaseholders and others. Would that have been a different way of approaching the issue?

Giles Grover: That would be the most sensible way of approaching it. We formed our campaign and reflected those asks, because it is just simple, and it is actually doing the right thing. This Government keep saying, “Industry, regulators, everyone else—do the right thing,” but this new Government now need to do the right thing where the old Government did not.

Q5 Chair: You took us on to something that I wanted to ask about, which is the developer remediation. I do not mind which of you answers this, but you, Mr Grover, hinted very wisely that we are not getting that contribution from any of the product manufacturers and that we have



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laggards in the system that have not paid up. Do you or any other members of the panel have a view on that?

Giles Grover: I will come in first, and then I am sure David will come in shortly after me. The major developers have signed a contract, and they are not really getting on with the work. They will blame the freeholders, and the freeholders will blame the developers. It is all minimising the work to make everything tolerable, which means that people will not feel safe and we will still be stuck paying huge insurance.

A lot of the developers have not even been made to sign the pledge. That is why I think they should still contribute to the building safety levy. I get the point—which David will make soon, no doubt—that no other parties are, but that is where they need to extend it. There are a lot more developers that need to do the work and repay the funds, but I get the point that they should not be the only ones paying, because they were always the lowest-hanging fruit for the old Government.

David O’Leary: As I represent the home building industry, I will just put it on the record that it is the only sector that has made any contribution to the building safety crisis that we have. I am proud to say I represent an industry that has, at all times, said that it would take responsibility, and other sectors have been allowed not to.

The previous Housing Secretary said that he would do whatever it takes, three years ago, to obtain some contributions from product manufacturers. That came and went—a deadline actually passed last week marking three years since they were supposed to come to the table with that. Even the Government themselves took until 2023 to acknowledge their own institutional failings as part of this crisis.

As Giles says, this is not just about money, but more money is needed from the product manufacturers before the Government go and take another big hammer to the home building industry, which is what they plan to do later this year. We have a lot of concerns about the use of existing funds. More than half of the building safety fund remains unallocated, but the Government are yet again going to developers and seeking another £3.5 billion, which will have an untold effect on our industry. Many, many small developers will go out of business as a result of what the Government plan to do.

As a sector, the residential property developer tax was accepted without argument in 2021. That is a contribution of £2 billion. The self-remediation contract itself is another £4.5 billion. What the Government are asking for now will take us to £10 billion from one individual sector, because it is deemed that if you are an overseas product manufacturer, you are just too difficult to deal with. That was the message that the previous Government sent.

It is about more than just money. I accept what Giles says—the self-remediation or any remediation are not as quick as we would like—but there are a number of practical issues. Our focus with Government really



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has always been to try to address those practical issues, such as access to buildings, which is not always easy with management companies and freeholders—

Chair: I am going to have to—

David O’Leary: There is the availability of chartered fire engineers as well. The quality of the assessments is really important, as Giles has alluded to. The Government have a panel of assessors, but only a third of those are chartered fire engineers. Only a third of those are the most experienced, well-qualified engineers, and many of our members would use only chartered fire engineers for their assessments. We have this shortfall, which the Government could have been helping with over recent years, but we are still way behind the 8 ball.

Q6 **Chair:** I know we have a lot to cover, but while you are metaphorically on your feet, I should say that the other actors in all this are the insurers. What more could we do to keep the insurers on board so that when the remediation happened, it was done to their satisfaction and we would not end up with the poor leaseholders having to pay extortionate premiums, which they are doing in many cases at the moment?

David O’Leary: The Government have adopted the PAS 9980 standard for several years now, and I think our industry and leaseholders have accepted that as a reasonable standard. The insurers are the only ones who do not, it seems, and they are allowed to get away with that, so more could be done. In the joint plan that we signed with the Government in December, we pushed for the Government to do more on that. I understand that they are doing something now, but there are other sectors that need to be brought into the tent. This cannot just be, “Developers are bad”, and pointing the finger at developers every single time.

Q7 **Chris Kane:** Giles, I want to talk about the remediation code of practice. Is it making a difference on the ground?

Giles Grover: Not really, no. It took a long time coming. We fed into a lot of its iterations. At the very last minute, it was heavily revised. One of the key things that was taken out was having routes to compliance, routes to recourse. That is, to know where to go if the contractor—the resident liaison officer—is not doing what they need to on site.

We saw the fire in Dagenham in the Spectrum Building on the bank holiday in August 2024. That was probably the first serious demonstration of what happens when residents are living on a building site and there is not enough care about the safety of it. I am the sort of guy who walks around a lot, looks at these buildings and the scaffolding, and sees the fact that it looks like timber and like fire could spread. That is the most serious case of it.

There is a lack of communication: buildings are still going up with Monarflex, and people do not really know where they can go to next. We wanted it to be made law, but the Government pushed back on that. We



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have been through feedback lots of times. We thought it would be updated since July 2023, including on decanting, rehousing and best practice. Developers are agreeing to it but we still do not know how it will be enforced, really. It is not working yet. It could and should work, but I have spoken to a great number of contracts who do not even know it exists. That is not helpful.

Q8 Chris Kane: Are you seeing anything positive about this? How is it making a difference? It has to be doing something—or maybe it does not.

Giles Grover: It is just so inconsistent. There might be one or two positive examples. I was at one of these feedback sessions with MHCLG. Everyone during the call just kept saying, "Yeah, we are adhering to it", but where is the checking to make sure that is happening? I have seen lots of visits from officials, MHCLG and everyone to buildings that have done it well, but when I ask them, "Have you understand what has happened there?" they are like, "Oh, we haven't done that yet." I speak to the residents and leaseholders, and they just say, "Oh, it was a bit of a jolly for them, really." It is about learning and making things better. I am hopeful it will happen.

The developers are going to agree to abide by it, but is that mandatory or advisory? I do not think we will see consistency on the ground unless there is real oversight of it. That is where Homes England would have come in—to stipulate the communication points, run all those buildings through the schemes, and make sure there is visible oversight and grip. It would be a wonderful thing.

Q9 Chris Kane: David, why are not all developers signed up to this yet? Could you answer that and offer some reflections on what Giles just said?

David O'Leary: My understanding is that all builders who have signed the joint plan, and have buildings that need to be remediated, have signed up to the code of practice. I may be wrong, but that is my understanding from recent times. Some questions were raised about some of the detail of that, but actually, it was a fairly uncontentious point in the negotiations we had with the Government on the creation of the joint plan back in December. It was fairly well accepted by developers that that was a part of the process. In fact, we said that if they were really focused on improving the experience for leaseholders—again, going back to the previous question—they should also rope into this the insurers and other people who are making life more difficult.

Q10 Chris Kane: So you are saying that everyone who should be signed up to it is signed up to it.

David O'Leary: That is my understanding.

Q11 Chair: Is that your understanding too, Councillor Hug?

Cllr Hug: I believe there are still some smaller firms that are outside this, but we can pick this up afterwards and write to the Committee.

David O'Leary: I think the ones that have buildings that need to be remediated are signed up.

Q12 **Chris Kane:** That would be good. Rhys, can you tell me whether all social providers are using the code?

Rhys Moore: Yes, our understanding is that housing associations are using the code. They were involved in the development of it and find it to be a very useful tool. Most housing associations tend to already have resident engagement protocols for major works programmes. Speaking to some of our larger members, they have found that using the code of practice to essentially compare their protocols against has been very useful in terms of identifying gaps.

There are also some new works. One of the issues, perhaps, is that the profile of the code has sunk down over recent months, so there is a renewed focus on trying to raise that up again as part of the acceleration plan.

Q13 **Chris Kane:** David, what is being done to ensure that it is not sinking down and that it is being kept front and centre and given the attention that it needs? It is more than just words; it is an actual code of practice that needs to be put into practice.

David O'Leary: I think it is fairly central to what developers are doing when they approach these works. As I say, I can only talk from my experience of it. We have talked to the Department about whether we can do more to work together and illustrate the best practice that Giles has talked about or alluded to. If we can do that, we can help the others who might be looking for a bit more information on what to do when the time comes to begin those works.

Q14 **Chris Kane:** Okay. I will just make the point that there is a definite disconnect between what Giles is saying and what David and Rhys are saying, and to my mind it seems to be on action rather than words. What I am hearing is that the industry is signing up to it and ticking the box, but is it taking that tick and moving into actually doing what needs to be done? I wonder if Giles wants the last word on this.

Giles Grover: That is the reality. Leaseholders and residents are facing all these struggles and troubles, and they have nowhere to turn. They are not really getting any answers. All we hear from the Government, industry and housing associations is, "We're abiding by it. I understand we are. I think we are. We probably are. Let me just check," whereas on the ground—no. I think of the number of buildings where the scaffolding goes up and that is the first thing you know about it, or Monarflex goes up that you cannot see through. We really need to understand whether they are all abiding by it. Someone needs to oversee that and make sure it happens. Sorry, I am a bit angry about this.

Chris Kane: No—thank you.

Chair: That is very helpful indeed.

Q15 Nesil Caliskan: Can I take the opportunity to say thank you to Giles for his efforts, along with others, on campaigning? I represent the Barking constituency and your description of what leaseholders or residents in all sorts of tenure are having to experience is very accurate, particularly when it comes to remediation work. There is example after example of people, including in Academy Central in my constituency, who, after many years, are still waiting for works to be completed. I want to ask Mr O'Leary about acceleration of developer remediation. In your view, what are the main risks to the sector meeting the targets in the developer acceleration plan?

David O'Leary: First, I will say that everyone is fully committed to it. As a result of the joint plan signed in December, everyone has reaffirmed their commitment to do this as quickly as possible. But it is a big task, and it relies on actors beyond the home building industry and their contractors. As I say, freeholders are key to this. That was something that we talked to the Government about at length when we signed the self-remediation contract back in 2023. If you cannot access buildings, you cannot make assessments and you cannot begin the works. That is now, I think, improving, thanks to the new Government's reassertion of the need for other players to play their part.

As I mentioned, the fire engineers point is a critical one that we raised through the creation of the joint plan as well. I think it is understandable that some developers will only want to use the most qualified engineers. We have been in a process for many years now where Government standards have changed relatively frequently and assessments have been brought into doubt, so relying on only the most qualified and experienced engineers is reasonable.

The big one at the moment is the Building Safety Regulator. That is a huge pinch point in applying to do works on remediation schemes. It is a pinch point in all development at the moment for anything on a high-risk building. Again, it is really frustrating that the Building Safety Regulator was legislated for three years ago and we could foresee all of the challenges that were coming. It was ill-equipped when it was set up and established and began last year, and it does not seem to have improved since.

We are dealing with a relatively low number of general applications for new developments at the moment, because of everything that the previous Government did, effectively. We are in a relatively good place for the introduction of a new regulator, but to date that has failed. We hear from Government that they expect that to improve, but it is frustrating: we would have hoped that the joint plan would have more of a commitment from the Government to specific dates by which the Building Safety Regulator will be able to discharge its responsibilities, and we are no closer.

Q16 Chair: I want to come in on this point, because it is important. Before I do, I remind all Members that they should declare their interests. Just so the public are aware, I declare my interest as a chartered surveyor, not

that I expect to make any more profits out of this whole issue.

Ms Caliskan just raised an important point about the pinch point on the Building Safety Regulator, and you have highlighted it, David. What is the reason for it? Is it not well enough resourced? Does it not have enough staff? Is it too risk-averse? What is the problem?

David O'Leary: There were always going to be teething problems, because this is effectively another form of planning consent or regulatory consent that is running alongside the existing one.

Q17 **Chair:** But local government used to be able to do it reasonably speedily.

David O'Leary: Yes. In fairness to the Building Safety Regulator, some of these applications are complex. It feels like it has been very much a resourcing issue, which is why it is so frustrating that that could not have been foreseen. There is a lack of qualified people to do the work of the Building Safety Regulator, in the private sector and public sector. This is not groundbreaking news for anyone. It will frustrate the Government in many ways, not just on this issue but on their 1.5 million homes target.

Chair: Thank you for that answer. Sorry to interrupt, Ms Caliskan.

Q18 **Nesil Caliskan:** No, that was a good reminder; I should have declared earlier that I am a vice-president of the Local Government Association, having been a local authority leader for a number of years.

I want to discuss the lag in remediation works that are under way in some areas. Although there is a regulatory challenge and there may be some gaps in legislation that have to be rectified, there is a building safety fund. I accept the point that almost half has not been allocated, but half has been allocated. There are many examples across the country, not least Academy Central in my constituency, of works being started but delayed. It has been helpful to hear from you, Mr O'Leary, about some of those challenges.

My second question is about capacity. Is it the view of the sector that this cannot be sped up, because there is simply a capacity issue? That would be concerning, because people are living in properties that are unsafe right now. How confident are you that the construction industry is going to have the capacity to support the acceleration of remediation?

David O'Leary: It can be accelerated, and all the signatory developers have committed to doing what they can, but it does require the support of Government. You cannot begin remediation if you cannot get access to buildings. The skills—

Q19 **Nesil Caliskan:** I will not go into examples, but people living in unsafe properties are unlikely to not let you into a building. I am yet to come across a resident who says, "My building's unsafe, and I can't sleep at night, but I am not taking the day off work to let you in." In most cases, people allow access.

David O'Leary: I know. I am primarily talking about freeholders and management companies. I have had a lot of experience with freeholders



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and management companies, and they are not always easy to deal with, even if you are a resident. It is a more structural issue. In fairness, the Government made good efforts in the first period of this Administration to try to unblock some of the things that were going nowhere a year or so ago.

That is not to say that that is the only challenge. There is a lack of skills in the industry as well, as has been talked about a lot in various contexts over recent times. We have an ageing workforce. Brexit has not helped. It is not easy to find qualified people to do work. At the moment, there is a drive to accelerate across all of not just the developer-led schemes, but the Government-led schemes as well, through the BSF and so on.

So it is challenging. I think it can be accelerated. It cannot all happen tomorrow, but it is being accelerated as we speak.

Cllr Hug: The honest truth is that all three of us here are competing for the same people, and David's people can probably outbid the other two of us. There is a limited pool of people. It takes several years to train a fire engineer or a surveyor, and they will maybe do a year or so in a local authority or whatever, and then potentially get snapped up by the private sector. That is exacerbated by the lack of long-term funding for local authorities to be able to plan and lock someone in place. If you get someone good, they will be snapped up.

We absolutely recognise that the problems with the BSR are impacting everything in terms of house building and all of this stuff, but it is because they are learning on the job. The resource issue was part of it, but it is also the fact that they are entering a new area. As the Chair said previously, local authorities used to do a lot of work in this area but have had capacity hollowed out. There is a whole level of complexity that is coming up here, which is causing a real backlog.

We have to start as soon as possible on training more people. Obviously, the immigration debate is a really challenging one, but without people on that side—and on the enforcement side, too, we are losing people to go on work on the other side of the table.

Q20 Nesil Caliskan: You will understand that the reason I ask the question and probe is that in recent years we have had huge tragedy, with people dying in blocks that were not fit to live in, and—it is well-documented now—we still have people living in high-rise and mid-rise blocks who are at risk in terms of fire safety and tell us, as Members of Parliament, that they cannot sleep at night because they feel unsafe. Understanding the challenges and how we can accelerate the remediation works, which are really necessary, is critical, as is a sense of urgency on behalf of those residents who I and others represent, and who campaigners are speaking on behalf of. Mr Grover, I think you might want to add something.

Giles Grover: There are a lot of things I want to add, but I will try to be very quick. On the Building Safety Regulator, the timescale issues with the MHCLG legislation caused a lot of pain on the ground in terms of providing

information—key building registrations—within a six-month timeframe, impacting leaseholders and residents.

We have met the BSR a number of times. It initially said that its developers and designers needed to improve their drawings. It then admitted, “Hang on a minute; actually, we’re under-resourced. We’ve got IT issues.” There are a lot of other issues there as well. They did not want to get into the cosy—insectuous, some would say—culture that was prevalent for the last 30 or 40 years and say “Do this” or “Do that”, but there needs to be learning and best practice. They say it will be at business as usual by March 2025, so we are hopeful we will start to see that happen, and funding take place.

There are a couple of other bits in terms of the developers. We have now seen a breakthrough. I think Academy Central is an RTM. We still have a problem where there is a resident management company and freeholders. They are starting to give those access licences now, but they are still disputing FRAEWs and there is still a lack of consistency. That is the deadlock that has not been broken. I have dozens and dozens of examples of that happening, and the Government have not really intervened or given any oversight. They go into some casework—we met with Michael Gove 6 September 2023, and he said he would do more, with more caseworkers—but no one can see what is going on. Leaseholders and residents still have to go to them—I will stop now. Thank you. I have got so much more.

Chair: Thank you. We all understand, Mr Grover—

Giles Grover: Oh, fire engineers! Sorry.

Chair: We all understand your extreme frustration on behalf of your residents. We feel the same frustration, I can assure you.

Q21 **Mr Betts:** Let me ask Rhys Moore and Councillor Hug about social housing providers. Generally, the assumption is that you would want to get on and do this work on behalf of your tenants, but it is not going as quickly as it should, is it? Is that about money or about skills, as we have just heard?

Rhys Moore: It is undoubtedly about some of the other issues we have heard about—the regulator’s delays and some skills and expertise—but in the case of social housing, funding really matters, and the design of the funding currently explicitly excludes social tenants from being able to access public support. That was a decision made by the previous Government. What that means in reality is that about 90% of public funding has gone to private building owners to support remediation—that is non-ACM funding—and about 10% has gone to social landlords. We think that set-up is fundamentally unfair and deeply inefficient, and we think it is wrong, in that it prioritises tenure over risk: it directs funding to the type of tenure rather than the risk of a building.

It might be helpful to bring that to life by giving some examples that our members are currently experiencing. On funding and pace, one of our members with a very high number of buildings awaiting remediation has



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estimated that it would be able to complete its remedial works programme three years quicker, so by 2030, had it the same access—just equal access—to building safety funding as the private sector currently enjoys. It is currently having to responsibly manage its programme so that it is phased over a number of years. Equal access to funding would be a real factor in unlocking pace.

On legal disputes, the current funding model requires social landlords to first try to secure a resolution from contractors. One of our larger members, L&Q, has a building in south London that it had to ask residents to leave in 2019. It was progressing in its negotiation with the contractor and had got to a point where it thought a resolution would be forthcoming. The insurer then stepped in and did not like the way that the negotiation was going; it has now moved to litigation. The court date for that is 2026—and that is before we even get into remediation. At the same time there is an empty building in south London, in one of the areas of most acute housing need.

Finally, on the issue of funding and the differential treatment of social tenants, you may hear that there is access for social landlords, in that there is the viability threshold exception in the funding. But, as the former Chair of the Housing Select Committee has said, currently, in order to access that funding, a housing association or council has to have exhausted all other options. If there is one thing that would make the difference for social landlords, it would be fair and equal access to the existing funding.

Cllr Hug: To be clear, councils have to go and say, “We are at risk of breaking our HRA,” which is not a great thing when you are also trying to borrow money to deal with all the many other things that you are trying to do, and get the trust and confidence of your residents. The ACM scheme worked better for a number of reasons, because it was a lot easier to access. The building safety fund and the cladding safety scheme are things where we literally have to say, “You’re in dire straits. There’s nothing else we can do. Apply to this.” The Government are trying to create some informal flexibility around this, and that is helping around the margins, but the principle is still that you have to say that, which potentially jeopardises so many other things.

Fire safety is crucial and has to be at the heart of what councils are doing, but there are also other important priorities, such as responding to Awaab’s law around damp and mould, other health and safety things, and then you have to juggle how to build the homes you need to tackle the temporary accommodation crisis. That is before you get to the more day-to-day landlord responsibilities of social housing providers that residents expect and need.

There is an awful lot of pressure. We have talked about how, if more money was available, that would be very helpful, but you still have to have the people to do it. Again, we are all competing for the surveyors, fire engineers and EHOs on the other side, so there is real competition for people. So, as much flexibility as we can—I appreciate that the Public



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Accounts Committee sits here to keep a firm grip on public funding, but there is a lot more that we could do if there was greater flexibility.

Giles Grover: Our campaign position is that social housing providers should have equal access to funds so that, as you say, they can make homes decent, but they also need to treat shared owners with decency and allow them to sub-let or sell. Contractors are already saying to us that they would rather pay into a levy—perhaps out of selfish self-interest—but their contracting body, Build UK, has made representations to the Treasury to say, “We’d rather have simplicity than lawyers getting rich,” because that is what is happening right now, while the delays in people’s homes being made safe continue.

Q22 **Mr Betts:** That is a fair point. Councillor Hug, let me come back to local authorities and your enforcement work. You now have the Building Safety Regulator, which deals with the highest-rise buildings. Is that, and the changes in building control that have come in with the legislation, complicating your enforcement work?

Cllr Hug: It is a complex picture. As a sector, we are dealing with a long period of hollowing-out of all our capacities in building control and other services. We are trying to train up EHOs as quickly as we can and not lose them to other parts of the sector. We are trying to identify the non-compliant buildings, and that is a big challenge—we want more data available to help us with that—and we have talked about the funding constraints as well.

The fact is that the environment keeps shifting. We are hoping the spending review gives us some stability, and that there is some regulatory and funding stability, to enable local authorities to plan their systems to get things up to speed as quickly as possible. Different authorities are in different places depending on how much capacity they have. I know my authority is further down the line because of the greater capacity we have than some others.

Q23 **Mr Betts:** In terms of enforcement, is it an issue of funding, skills or lack of clarity?

Cllr Hug: It is all three.

Mr Betts: Right, okay.

Cllr Hug: Money would probably be the greatest thing—but it is money, capacity and stability.

Mr Betts: Between them, the biggest challenge is going to be the money.

Q24 **Chris Kane:** Going back to social housing, David, what can we expect to see developers doing to unblock cost disputes with social providers?

David O’Leary: It is not an area I am particularly close to; I am not aware of any disputes in detail. The joint plan that was signed in December has a whole section on this and was relatively uncontested by developers. There is a lot in the joint plan where it makes sense to use all



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endeavours to try to unlock these situations where they arise, if there is a deadlock. The Government now has a route into those discussions that can help unlock it if there is a deadlock.

- Q25 Chris Kane:** Are you comfortable that the work and the common endeavour to get through disputes is happening? It is not nice to be in dispute—it impacts the way we all act—but as long as we are doing it with a common endeavour, we can get through it. Are you confident that members have the right mental and social approach as well as business approach?

David O’Leary: The very big frustrating factor of the last few years has been how much money lawyers have made. No offence to any lawyers on the Committee, but I do not think there is any desire to go any further and give more money to lawyers. If we have now got a new route that will unlock any of those disputes and the Government can play a part, then that is helpful. It is not something that our members, from the developer side, talk about at great length. It is not an area they consider to be holding things up massively.

- Q26 Joe Powell:** The building safety levy was mentioned earlier, and its implementation is coming later this year. I have a question for councillor Hug—I represent two wards of Westminster, to make that clear. What preparation have you made? Are there challenges that you foresee in collecting the levy, because it will be on local authorities to do the collection and pass it on to Government?

Cllr Hug: Obviously, local authorities are working hard to get ready for this. There is a degree of calling for greater clarity on the implementation guidelines, because, ultimately, it is moving at pace. We need to know what we are going to be expected to do in detail in autumn so we can plan and prepare. There is an administrative burden on councils, which if it is something they are not doing, we need to get them up to speed. We need to understand how the collection process will work. How do we assess liability? How do we process payments? How do we resolve disputes at a local level? Then we need clarity around the powers we will be given on enforcement.

Joe Powell: So you do not have any of that yet.

Cllr Hug: We have some of it, but it is about having greater detail to make sure that it can be implemented. We know the broad strokes, but we want the detailed stuff so we can plan in advance as much as possible.

We need to recognise that different councils have different levels of pressure, so we need to make sure that there is a fair funding distribution mechanism so that the funding is allocated to the areas with the most affected buildings. Obviously that sits against a broader backdrop of local government finance. As I am from the LGA, I have to say at every meeting that greater stability and greater capacity in these departments and local authorities is helped by whatever comes out of the financial settlement ahead.

Q27 Chair: We are over time, but this is such an important subject and you have given us some really helpful advice. I will give each of you the opportunity to say, in one sentence, anything you think we have not covered and you would like to tell us. I will start with you, Councillor Hug.

Cllr Hug *indicated dissent.*

Chair: Nothing?

Cllr Hug: No.

Chair: Well done. David O'Leary.

David O'Leary: I would like to add to the building safety levy point. From a developer perspective, we are very much in the dark as well. This is something that developers will be paying for the first time. The developers who have been paying into previous things, like RPDT and self-remediation, are generally bigger, whereas this is going to affect our whole sector. We still do not know what those rates will be, and they will have to be paid this year.

We are not convinced that it is necessary when you look at how much is left in the building safety fund and the way that the Government have worked out their estimates for the number of buildings that may need to be remediated. The NAO reported that the Government are suggesting it will be 12,000, but only 5,000 are being monitored currently, so are there another 7,000 buildings that will need to be remediated?

That is the basis on which the Government are about to take a massive hammer to the home building industry with a whole new swathe of costs. We had also hoped that it might be removed with the new Government, because it was clearly a politically designed tax by the previous Administration.

Q28 Chair: Would you like to address that point, Rhys Moore? Paragraph 3.16 in the NAO Report is very important. It says that the whole way this has been handled in the social housing sector is likely to give rise to a lot fewer social houses being developed. Would you like to expand on that?

Rhys Moore: Certainly. Housing associations have had to find this money to cover the costs of remediation from somewhere, and they have only two choices: either investment in existing homes—repairs, maintenance and so on—or cutting back on development. The impact on development in London has been catastrophic. Housing association starts of new social housing in London last year were down 90%, and there is a direct line between the costs that have been placed on the sector through the current funding settlement and those numbers.

As the Committee will know—you focused on this in a recent Report—the knock-on impacts on the cost of temporary accommodation and homelessness are very significant. If we were to secure more equitable access to the building safety fund for social landlords, that would help with

pace, but it would also mean that the knock-on impacts would be mitigated.

Q29 **Chair:** Well, that is really important. As you know, we have the Department in next, and I am sure some of us will have questions on what you have just said. Thank you very much. Giles, very briefly—and I mean one sentence because we are well over time.

Giles Grover: I would like to ask the officials who are coming in what they are going to do about the recent news of the suspension of the Tri Fire engineer and the devastation that has wrought in the markets. In 20% of buildings, people do not know whether those assessments are accurate, and the Government have known about it for three or four years. I would have a lot more to say—but thank you.

Chair: Can I thank all of you? It has been a really important session. I know we have been tight for time, but we appreciate hugely what you all had to tell us from your experience.

Examination of witnesses

Witnesses: Sarah Healey CB CVO, Ben Llewellyn, Richard Goodman and Helen Fisher.

Q30 **Chair:** Eight years on from the tragedy of Grenfell Tower, where 70-odd people tragically lost their lives, there remains a long road ahead to ensuring that all affected buildings are made safe. As the scale of the cladding crisis has come to be realised, the Government have expanded their programme to facilitate the remediation of more buildings over 11 metres with unsafe cladding. Those are the so-called medium-rise buildings; buildings over 18 metres are high-rise.

The NAO's recent Report raised concerns about the pace of remediation and the uncertainty around the number of unsafe buildings. As of 24 August, up to 60% of affected buildings had still not been identified. Dangerous cladding continues to cause distress for many of our constituents and residents across the country who are suffering serious emotional and financial difficulties as a result of this crisis.

I warmly thank all those who have submitted evidence to this inquiry. While we have been unable to publish individual cases, it has been very useful as background for the Committee and helped to inform our questioning today. We have just heard, as have some of our witnesses, from an excellent panel of witnesses about some of the challenges facing the whole remediation programme. We now look forward to hearing from officials about how they are planning to accelerate remediation, manage the financial impact for the taxpayer and provide support for affected residents.

To help us with all of that, we are very pleased to have with us today the permanent secretary from the Ministry of Housing, Communities and Local Government, Sarah Healey, who has been in her job since 2023; you are



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very welcome, Sarah. Richard Goodman has been director general for safer and greener buildings since November 2020 and is the SRO for the remediation portfolio. Ben Llewellyn is the director of remediation policy. Ben has been the director of building safety remediation since March 2021. Helen Fisher, to whom I give a special warm welcome as it is her first time at the Committee, is the director of the cladding safety scheme. She has led the development of the cladding safety scheme since 2022 and is now the SRO responsible for the programme. You are all extremely welcome. I also welcome our guest member today, Joe Powell, who is not only the Member of Parliament for Kensington and Bayswater, but a member of the Housing, Communities and Local Government Committee.

To start us off, Sarah, how will your new plan speed up the remediation process? We have your Secretary of State's statement from the beginning of November on when she expects various things to happen—that is helpful for us.

Sarah Healey: It is worth emphasising at the beginning that our Ministers are very committed to speeding up the pace of remediation and clearly set out their plans in the remediation acceleration plan last autumn. It is worth noting that many of the points in that remediation acceleration plan address some of the issues raised by the NAO in its Report. The NAO highlighted the fact that we were not measuring against current targets for progress and pace of remediation. We have set those targets in the remediation acceleration plan very clearly, as well as steps to ensure that we meet them. As a reminder for the Committee, those targets are that by the end of 2029, all 18-metre-plus buildings should have been remediated and all 11-metre-plus buildings should have been remediated, have a date for completion set, or the landlords concerned subject to clear penalties.

We need to work through the process of legislating for some of that action to be possible, but we have not held back where we can take action in the meantime. Some witnesses in the previous session discussed the joint plan that was agreed with developers in order to speed up the pace of their own remediation activities. Precisely to your point about identification of all the buildings concerned, I was looking back and at the point when the Committee last looked at this issue there were 1,600 buildings in scope, of which 800 had either started or completed remediation. We now have 5,000 buildings in scope, and as you say there are more to come. As Helen can explain to you in greater detail, in total we will be looking at half a million building records in order to identify buildings in need of remediation and bring them into the programme.

There is even more in the remediation acceleration plan, which you will know from seeing what Ministers have said about it, but the purpose here is to both emphasise and enforce where the responsibilities are for making this happen—particularly on freeholders, as previously discussed, who are often the blocker to making progress—and to ensure that where buildings exist we are taking an even more systematic approach to identify them. We will therefore be able to pursue freeholders who have not so far taken action.



Q31 Chair: As I was keen to do in my introduction, we need to separate those high-rise buildings over 18 metres, of which most have been identified, if not all, and the medium-rise ones of 11 metres to 18 metres. That is what concerns me. There are 9,000 to 12,000 of those around the place, and there is quite a percentage that have not been identified, let alone their owners being identified. What more can you do on this using modern technology—AI, Google Earth or whatever—to make sure you know where every building is? Once you know where every building is, you can ask questions about the ownership.

Sarah Healey: That is exactly what I am talking about in terms of the half a million records. To give you greater detail about how we are doing that I will hand over to Helen.

Helen Fisher: We started off in the late autumn of last year looking at the four-storey building records. We used unique property reference numbers, and for four-storey data there are around 220,000 unique property reference numbers—there are multiple unique property reference numbers to one building. That has been the first part of the investigation that Homes England has been leading. On identifying and moving that down to one building, we are then checking that for height and using tools exactly like, as you stipulated, Google Earth.

My team are also trained to look at combustible materials, so we look at the types of materials on those buildings in order to make a full register of buildings we have ruled out of that process and buildings we are ruling in to the second stage, which I will come on to. We then do a full ownership raid of that, looking at land registry and eligible leases. That has created an 11 metre-plus building register. We will have all 220,000 unique property reference numbers completed by the end of March of this financial year. My team will then start on the three-storey data, for which there are around half a million unique property reference numbers, which we intend to have completed by November or December this year.

Q32 Chair: We on this Committee are very keen on transparency. If I were a leaseholder or tenant in one of these buildings, not knowing what was happening and with my life on hold, it would be really helpful if I could go somewhere, online or on a public register, to find out what was happening—whether my building was included or not and any updates on when it was likely to be remediated. Are you likely to put all that information into the public domain?

Helen Fisher: We are working on various routes to that at the moment. We already have a “Tell us” tool, which we encourage any leaseholder or resident to utilise if they are wondering whether their building is included or not. That is on the cladding safety scheme’s website. If they submit that, we will come back within 48 hours and confirm whether we are aware of that building. There is also the process I just set out of investigating, writing and communicating with the building owner. For any leaseholder or resident who uses that tool, we will pick the building up and put it into the process.



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In addition, we are working with the leaseholder advisory panel and opening the system we have created for the cladding safety scheme. We are currently in a pilot with Greater Manchester Fire and Rescue Service. The idea is that, by the autumn of this year, all fire and rescue services, LEASE and local authorities have full access to the database so that we can help as many leaseholders and residents as possible with that data. We will also be exploring the availability of that to members of the public so that we can have a full and frank open register, but we have yet to explore those options.

Q33 Chair: I wonder whether there is more you could do to publicise that excellent “Tell us” tool, perhaps through council tax bills. If there was some way to disseminate the information that the tool is available, it would provide a lot of reassurance for people to know that it was there.

Helen Fisher: I totally agree. There is work under way with the combined authorities as well. We really hope that the local remediation acceleration plans will help to lift some of these tools and give them some local exposure.

Q34 Mr Betts: That work is really important, and clearly the Department is focused on doing it as quickly as possible. Is it not rather surprising that it has taken all this time to get to the point where we are looking at that information being made available?

Richard Goodman: If I could take you back to your point, Chair, about the difference between high-rise and medium-rise buildings, high-rise buildings will now have the building safety register of high-rise buildings. In the social sector, there are the better part of 17,500 buildings, of which just over 100 remain to be assessed. The developers’ buildings cover 4,500—or a bit more, 4,600—buildings, of which three quarters have already been assessed. There is a commitment to ensure that all of them are completed by July next year. The cladding safety scheme has been open, including the “Tell us” tool, for some time now for private sector medium-rise owners, but that is really where the uncertainty is.

We have been developing the platform in Helen’s team as quickly as we can to improve information provision. The Department previously operated a push-out model of, essentially, pushing data on to different regulators locally. We obviously wanted to do that so that they had the same information that we had as soon as we had it. This is really a way of systematising that process so that it is more comprehensive.

It is also worth saying that, of course, we have had to compel membership of the high-rise database through legislation. Ministers have committed, as part of legislation, to looking at putting the single remediation platform that Helen just described on to a statutory footing. At root, there are far too many responsible people who have not taken basic steps to assure themselves.

The duty is not new; it was clarified under the Fire Safety Act 2021. There are almost 500 buildings that have now been subject to some form of enforcement activity. Taking you back to the permanent secretary’s total,



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out of 5,000 buildings, almost 10% of those have required enforcement action. We are pushing this framework as hard as we can, but Ministers have indicated that the framework itself needs to change.

- Q35 **Mr Betts:** But it is eight years since Grenfell, and we are still pushing for enforcement. Should all this not have been done a lot more quickly after Grenfell, or did the enforcement agencies not have the powers that they now have? Will that make a difference?

Richard Goodman: Obviously, the previous Administration changed the framework for enforcement very fundamentally through the Building Safety Act 2022. The full provisions in the Act were turned on in April 2024. Of course, many people feel that many statutory changes should have happened before that point in time, but that is the point at which Parliament legislated. We have obviously looked to push that framework as hard as we can since.

In our conversations with local regulators, it is certainly true that we have found problems. One of the things that we published as part of the acceleration plan was consolidated guidance to regulators to help them to understand the new tools that the Act had made available. We funded the recovery strategy unit in the Department, including an uplift of £5 million, to take more litigation to freeholders directly to drive action.

We have also, of course, put additional enforcement money into the system—£14 million since 2022. There is another £33 million going in as part of the acceleration plan. That has worked: the level of enforcement is double what it was two years ago. There are a whole load of policy choices there for Ministers about what the framework should look like, but we are very committed to pushing the framework as hard as we can with the tools that we have available.

- Q36 **Mr Betts:** We have heard in previous evidence, and I think everyone knows, that there are many freeholders and developers who are not currently co-operating with their responsibilities. They are sort of hoping that they will go away if they ignore them. Can we be assured that, in the next 12 months, enforcement action will be taken against all those bodies who should be acting but are not?

Richard Goodman: I can certainly tell you what we are doing to equip regulators to take action. I have no direction power over local authorities, the Building Safety Regulator or fire and rescue services.

Mr Betts: What do you mean by “equip”?

Richard Goodman: We are putting £33 million into the enforcement framework. We have put £5 million into the mayoral action plans to help to co-ordinate them and make sure that regulatory activity is as targeted as it can be. We have put £5 million into our own recovery strategy unit to take on some of the toughest cases—

- Q37 **Mr Betts:** Is that sufficient funding?



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Richard Goodman: That will depend on the behaviour of freeholders. It is certainly true, for instance, that where we have had leading litigation, tribunal decisions have changed the dynamic of freeholders responding to buildings. For example, the Deputy Prime Minister and I met a very significantly large freeholder and, because of some of that case law, their behaviour has changed and they are now accelerating the assessment of buildings.

There is an important behavioural dynamic, but the policy choice that Ministers have taken, which you will have heard about from the Deputy Prime Minister's statement, is that this framework is not going to be enough on its own to fix the problem. We have the commitment to legislate for a backstop date, for more severe penalties, for clearer and tighter assessment standards and for more rigorous duties on building owners. You can take from that a recognition that that is where the framework does not currently go hard enough and that that is needed to make the acceleration plan work, but we are not waiting for legislation to come over the hill; we are doing everything we can with the tools we have, ahead of any changes to the law.

Q38 **Mr Betts:** So the intention is that there will be the powers and the resources there to ensure that, whatever the reaction of freeholders and developers, eventually enforcement action will be taken that will affect these cases?

Richard Goodman: Exactly right.

Q39 **Chair:** I know probably what sort of answer I am going to get, but, Ms Healey, can you give us any idea of the timetable for that legislation, and could you include in your answer when your registration scheme for all medium-rise buildings will be put in place, as it is for the high-rise buildings?

Sarah Healey: I am really sorry to give you the answer you are expecting, but unfortunately the decision about when legislation is brought forward is not one for me. We in the Department are working as quickly as we possibly can, under the direction of Ministers enthusiastic to be able to legislate as soon as a slot becomes available to do so.

Q40 **Chair:** You can hear the desire of the Committee and of all those residents out there to get this on the statute book as quickly as possible.

Sarah Healey: Believe me, it is shared widely. I might ask someone else to come in on the specifics of the register.

Richard Goodman: The register having statutory enforcement powers behind it will be contingent on legislation, but the "Tell us" tool and the single platform exist right now and there is no barrier to a responsible person putting in a cladding application today.

Q41 **Chris Kane:** Helen, you were talking about the efforts to identify the buildings earlier, and that is a fairly hefty amount of work that you have to do. Can you give us some evidence that it is working and that you are getting through it and doing what you need to do?



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Helen Fisher: Returning from the Christmas break, we now have 2,900 buildings that have been identified that sit within our ecosystem with the cladding safety scheme. That is not an indication that they all require remediation; it is a review of their height, their ownership and the materials on the outsides of those buildings. We are converting them at the moment, with 158 actual buildings a month being ruled out of that secondary system, where we are engaging and writing to building owners and we are having around 150 to 200 write back and confirm their fire safety assessments. That is the volume there.

We are also looking at about 30 to 40 buildings a month converting to an application form for the cladding safety scheme. That is the levels of conversion we are seeing through the scheme via that effort. It is worth noting that we have heavily automated part of the cladding safety scheme, so that our resources are kept on the really important engagement and escalations, but the system allows all of those 2,100 buildings to receive communications from Homes England every 10 days. That communication goes up in its level of severity.

We are now piloting the next steps with Greater Manchester Fire and Rescue Service, using that to make a national blueprint for how we can roll that out to get local enforcement powers and local teams assisting with finding, locating and pressurising those who should be doing so to push their application forms in.

Q42 **Chris Kane:** I want to move on to a question for Richard about skills and capacity. As you speed up identification of the buildings, are you assured that there are sufficient skills and capacity in the market to remediate at the new pace you are looking for?

Richard Goodman: It is an area that we monitor extremely closely. It starts with the ability to access fire assessors—some of your previous witnesses talked about the barriers that we have seen there before. Helen can speak to what we have done in Homes England, creating state capacity within the cladding safety scheme to ensure that people can get access to assessments quickly. That is currently under-utilised, but we have offered to extend that panel out to developers as well, as a means of making sure that buildings get assessed very quickly. We do not see a shortfall there at the moment and we have additional capacity that we can use. The vast bulk of the assessment process has been completed in the social housing sector based on their published data.

Beyond that, we are working closely with the Construction Leadership Council to provide modular training on, for example, façade engineering and cladding and rainscreen courses. The cladding safety scheme will be publishing pipeline data in future. Obviously, the best way to scale capacity will be for the private sector to invest in ensuring its own supply chain is sufficiently robust. We can help that by being more transparent about what is coming down the way, and we have signposted to other tools such as where the immigration list permits cladders, for instance, to be sponsored by employers. We do not currently see a construction industry capacity shortfall, but we monitor this carefully, and we try to



promote private sector investment in that supply chain, where we can show that the money is available.

- Q43 **Chris Kane:** This is a UK-wide problem, not just an England problem, and I want some assurance that there is some co-ordination among the home nations generally, because if you are increasing the resource in one part, you could be taking resources away from another. What I do not want to see, or would hate to see, is that suddenly there is a shortfall in Scotland of the type of skills that are needed, because there has been a lack of co-ordination and communication with the devolved nations to ensure that you are accelerating at a sustainable pace across the United Kingdom, not just around England. Can you talk about that?

Richard Goodman: We have no desire to rob Peter to pay Paul. Ben, do you want to talk about our relationships?

Ben Llewellyn: We meet regularly with the devolved authorities to talk about all aspects of our work, including capacity concerns, and we would always be happy to share lists. For example, on the framework that Helen manages, we can share details of assessors with the devolved nations. Obviously, those assessors are generally regionally based, so it is not necessarily the case that we are talking about the same pools of people, but where there is the ability to draw expertise more widely, we always look to support each other.

- Q44 **Chris Kane:** Can you talk about the challenge I put to the building industry in the last session? It's okay to say you do that; it's okay to have a protocol in place, but the working relationships can be the difference between something working and not. Is it a good, robust working relationship among the home nations in order that you are talking to each other—not a framework that could be called on if it needed to be; you are having the conversations and everybody is happy with it?

Ben Llewellyn: I know exactly what you mean. There is genuine open communication. For example, in the design of the building safety levy, we have been very open in sharing details of our design with other nations so that they can think about how they deploy something similar. We try to share in advance the details of the acceleration plan, for example, so that they can think about how that applies to them as well. We try to have as open a relationship as we possibly can.

Chris Kane: Good. Thank you for that.

- Q45 **Nesil Caliskan:** I am aware that some of this has already been picked up, but I want to talk a little more about the delays, because MHCLG have set out expectations for progress on remediation works, but the pace, as I think you have already acknowledged, is behind. I understand, from the Report, that no remediation works have started on half the buildings in the developer programme, so it is unsurprising, and you will recognise, that for many people this is a matter of huge anxiety. Thousands of people in this country, including in my constituency, feel trapped in their own homes. They are unable to sell or move out and are hit by rocketing insurance prices. Even those whose works have begun are often in their



buildings with scaffolding outside and trapped because of what feels to them like disagreements between developers and freeholders.

You have already spoken about some of the legislative changes that are pending. Can you comment more on what the Government are doing while we are waiting for that legislative change? I ask because thousands of people are caught between developers and freeholders, in this ongoing back-and-forth while they are feeling literally trapped in their own homes. Is there action that can be taken in the meantime, while we wait for further legislation?

Sarah Healey: I will let Richard expand on some of the things he has already set out about action being taken. I want to start by saying this: we really recognise the picture that you have set out there; we all know people who have been affected by this situation and just how severely it is impacting their lives, life choices and ability to make decisions for themselves and their families. I have been to remediation sites where it is very clear just how dominating the scaffolding is, and it is there over several months in many cases because the process of actually doing the work is incredibly complicated. In some cases that is because of the way the buildings were constructed in the first place. There is also film across windows. We do genuinely understand how serious it is for those involved. As you say, we are currently in a situation where broadly, in the whole portfolio of buildings, in about half of those that have been identified work has either started or been completed. We acknowledge that there is a long way to go.

Q46 Chair: Sorry to interrupt again, Nesil. Sometimes what happens is that the exterior cladding problems are identified, the scaffold goes up, the exterior cladding is taken off, and then you find that there are other problems, such as voids and so on, so then a frightful argument takes place as to who is going to fund that. Meanwhile the poor residents are left not only with no exterior cladding, but with scaffolding that can be up there for years. What more can we do to smooth the process?

Sarah Healey: All sorts of things can go wrong, including those things. I was at a site last week where the render contractor had gone bust and suddenly that needed to be sourced from a different place. Things do go wrong, and a lot of the contractors and people on site were highlighting—I am sure we will get to the code of practice later on—that the important thing is that the people living in the building actually understand what is happening so that they appreciate why this is happening. We know from our experience with builders that a builder simply disappearing when you are expecting progress to be made is incredibly frustrating. Obviously, in this instance, where it is having such an impact on people's lives, it is particularly bad. Richard, do you want to touch on both those points?

Richard Goodman: In terms of assessing the work that needs to be done in a building, you mentioned other types of defect that may be non-cladding related. We are working with the BSI to develop a similar risk-based standard to give the sector more certainty about what work needs doing or not doing. Early on in this programme, there was a lot of



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ambiguity about that, for example in relation to cladding, which meant that work was being done that did not need to be done, and it was causing anxieties that were not sufficiently founded. The BSI should be introducing that standard this year.

Settling some of these questions as soon as we can and as early in the process as possible is really important. Helen can speak to what we have done to streamline that in the cladding safety scheme, but for example, our key performance indicator there has taken about eight months off the process of a building arriving at the point of application through to getting a package of works. We have managed to take down the average time that a building is on site by two or three months as well. We always want that to go faster, but it is a significant incremental improvement on buildings that can otherwise take easily 18 months to move through.

In terms of funding for those other defects, within the framework in which we operate we will obviously pay for external wall defects and work that is contingent to that work happening. For other types of defect, be they subsidence, fire-stopping or compartmentation, owner-occupiers are protected from those costs, but freeholders may have to meet them. The Act provides routes to recover some of those costs. We help with the assessment part of what work needs doing on cladding. The framework does not extend to looking at other types of issue that might be in a building.

Q47 Nesil Caliskan: That is the point, isn't it? Because there is passing of the buck between freeholders and developers, you can have a situation where residents of high-rise or mid-rise buildings are living in properties that are unsafe at that moment, and there is no light at the end of the tunnel because nobody is taking responsibility for getting the work done.

Richard Goodman: I might come to Ben on how we are patrolling the developers, but it is worth saying that we have committed to a dispute resolution process.

Q48 Nesil Caliskan: Is that working, in your view?

Ben Llewellyn: We are just in the process of setting up a formal dispute resolution process. A process already exists where developers and freeholders have signed a contract of works between them; that is a requirement of the developer contract. But before they get to that stage, there can be disputes over the scope of the works. We want to provide a formal route by which the parties can reach an agreement. In advance of that, we have sought to arbitrate between parties. For example, we undertake an assessment, which both parties accept will be the final assessment, to broker a deal around the right scope of the works and allow for those works to go ahead, so it is not going to be ignored in the meantime.

Q49 Nesil Caliskan: That requires both parties to engage in the process and accept the final view, doesn't it? The representations I have had from residents are that it is not working. That is why we have years and years of residents sat in properties that are unsafe, with developers and



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freeholders passing the buck. This is a genuine question: is it also your view that the system we have at the moment does not allow for a resolution between developers and freeholders? I ask that question in the light of pending legislation, and I would hope that it will be rectified. But I underline the point that, in the meantime, lots of people are in unsafe properties, stuck between freeholders and developers who are not coming to an agreement. Do you want to add anything about that situation? Have I painted an accurate picture?

Ben Llewellyn: It is certainly the case that parties can reach an impasse, and are almost unwilling to unblock the impasse, for various reasons that might be no fault of either party—it may just be that they have come to different views. As I say, some of this is around where the Department or enforcement agencies believe the truth lies. If we or an enforcement agency undertake an assessment that we believe represents the correct scale of the works and a freeholder, for example, refuses to accept it, we would want to consider an enforcement route for that freeholder so that the freeholder accepts that that is the work that needs to be done, and it gets done. Conversely, if the developer does not accept that that is the scope of the work that needs to be done, we have mechanisms in the contract that ultimately allow us to stop them developing further properties, and so to make them comply.

So it is not that we do not have any routes at the moment. It is the process of getting both parties to the stage where there is no other route and we are basically apportioning—

Q50 **Nesil Caliskan:** I would suggest that that is not being utilised. There are many examples of developers still being granted permission to build even though they are responsible for remediation works that are not being completed.

I want to touch on insurance. I think there is some work under way with the BSI, which officials have already touched on, to review the PAS standards—there is a code that I cannot quite remember. There are some efforts from Government to look again at those standards. That is critical, because people are facing huge increases in their insurance. I wondered whether you might comment on the process of reviewing those standards. What Government or Department efforts are under way to discuss this with insurance companies and try to reduce the burden of increasing insurance costs? I know that the standards are one part of it, but we might be able to do other things. Can you give us some insight into that?

Richard Goodman: It is a very serious problem. The Department commissioned the FCA to look into the high-rise buildings market. It found some significant increases in prices—the price of premiums rising at twice the rate, so we are talking 200%—for residents in high-rise blocks.

I will let Ben speak to the work that we have been doing to support the ABI in terms of its facility, but there have been some immediate changes. For example, the FCA has changed its fair value rules. Because of the nature of leasehold and freehold tenancy, leaseholders essentially did not

benefit from the consumer protection that any normal owner-occupier would have benefited from. That is a loophole that the FCA has closed.

We are bringing forward statutory changes to ensure that freeholders' fees and what freeholders can charge for arranging insurance are also capped and controlled, because the FCA found some terrible practices and pass-back there. I think it is fair to say that, while dents have been made, that problem is not resolved and there is more that we can do. Ben might want to speak to that.

Q51 Nesil Caliskan: Can I add something before you come in, Ben? Of course, the way that insurance companies provide a price is based on risk, and there will be some examples where insurance companies are going beyond that initial risk assessment and are just trying to get as much money as they can. It is also the case that as long as there is not a clear pathway for delivering remediation works for properties, they will always assess the risk as being higher compared with other buildings. That is why I am asking about the BSI review.

Do you anticipate that the review will address that problem? Or is it the case that those living in medium and high-rise buildings in this country should always anticipate that insurance companies will basically be able to charge what they like, because there will always be a level of risk associated with high-rise, either to do with cladding, which is regulated, or other materials used?

Richard Goodman: I can answer regarding the regulatory framework. We do have a risk-based standard. We think a risk-based standard is the right approach. A risk-based standard applies in terms of structural safety, ageing buildings and subsidence; it is not unique to fire safety.

We have asked the BSI to make sure that that framework is up to date. It was the first version of a risk-based external wall standard, so we want to make sure that it stands the test of time.

In terms of the relationship of building premiums to fire, over the past 30 years serious fires have fallen and are at an all-time low, and the average number of dwelling fires has fallen proportionately. Low-rise buildings are more exposed to dwelling fires than high-rise buildings are. That standard is designed to avoid another terrible catastrophe. We have entrusted experts to give us guidance to ensure that that is the case. They are re-reviewing that, but we do not accept that there is a correlation between overall fire risk in the built environment and the nature of insurance premiums. It is simply not borne out in the number of fires there are and how many of them are catastrophic.

Ben Llewellyn: On the other work we are doing, the FCA report of a few years back suggested that the industry put in place a risk-pooling system to increase capacity in the market and lead to more competition, which would reduce rates by spreading risk. That has been in place for a little under a year now. It has not had the impact that we would like to see in terms of reducing some of the most extreme premiums. That is why, as part of the acceleration plan, we indicated that we want to understand



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what options we have to intervene in that market—to see what we can do about premiums in the meantime, before buildings are remediated.

Will people end up in this state perpetually? The ABI has said premiums should reduce where risk is reduced. It is absolutely the case that the works on these buildings reduces risk. We absolutely expect the industry to hold to its word. The PAS standard has only been around for a couple of years. Given the time it takes to remediate a building, we are only seeing the first buildings come through that regime now. It is something we need to keep a close eye on to make sure that the statements that they have made are held to.

Nesil Caliskan: It is a niche part of the overall picture, but everyone will appreciate that as well as having to live in a property that is unsafe, there are people who cannot sell their properties or rent them out, their mortgages are at risk, and now they are being hit with insurance that is through the roof. It is really destroying people's lives.

I absolutely appreciate that there is commitment to do something about that, but eight years after a huge tragedy, we now face a situation where individuals are feeling utterly helpless, trapped in their own property and unable to sleep at night. I urge officials to get on with it in conjunction with the Government, so that people can get on with their lives and feel safe when they go to bed at night.

Q52 Chair: Thank you Nesil. PAS 9980, which is what you were referring to, is about the proportionate approach to deciding what remediation work is needed and prioritising risk to life. It does not prioritise risk to the building, which is the primary concern of insurers. We have had evidence from the ABI about this.

Could we bring in the insurers at an earlier stage, when a building is about to be remediated, so that if they are happy with the specification and the building is remediated to that specification, there should be no inherent reason why, after it is remediated, the insurance premiums should be higher than for any other building? Surely that is the end state we need to get to in order to be fair to leaseholders.

Ben Llewellyn: I guess the issue with that is that you then essentially hand the decisions over an entire remediation project to the insurers, who will want zero risk in any building ever. As Mr Goodman described, much like in any other system, an element of risk is allowed in a building context because that is the proportionate approach.

The counter-factual to that is a lot more taxpayer money being spent doing more work than is necessary to make a building safe, which obviously has its own issues. The balance struck in here and in any other bit of safety legislation or rules is around what is proportionate and what is the right amount of work to do, rather than removing and reducing every risk possible.

Sarah Healey: Is your point a bit like the mortgage issue, where, once a building has a programme of works under way, you get the insurer to assess it as if it had been completed?

Chair: Yes, exactly.

Richard Goodman: I think this comes back to your question, Ms Caliskan, around the standards and ensuring that insurers recognise what the standard does and does not do. It is obviously geared around catastrophic risk. For example, it is not a standard that would prevent smoke damage in a flat, but it would prevent damage to the core of the fabric of the building and ensure that there was suitable evacuation.

Part of this is about increasing understanding of what the underlying levels of risk are. Sometimes that can happen on a building-by-building basis. Ministers have committed to work with the industry on whether there is further Government intervention that might allow us to provide further support to the industry.

Going back to your point around the residents of these buildings, Ms Caliskan, it is clear that it is not sustainable to have 100% price rises in insurance premiums because of something for which leaseholders are not responsible where there is money to fix the problem and where there is an expert-agreed industry standard. That position has to change.

Chair: Okay. We have covered this in quite some detail.

Q53 **Joe Powell:** On your last point, you are considering a Government-backed insurance scheme if the premiums do not come down, as we have with flooding, aren't you?

Richard Goodman: What Ministers set out in the acceleration plan was essentially dialogue with the industry, which builds on the FCA recommendation about whether Government could do more to intervene in the market overall to reduce premiums. They have not reached a view about whether they definitively will intervene, but we have opened that conversation with the industry.

Q54 **Joe Powell:** Before we went down the insurance track, my previous supplementary question was about speed. You mentioned the mayoral teams that have been set up. Clearly, a lot of the discussion we have been having is about how you get down to a building-by-building discussion and force agreement where that has not happened for too long. I have some in my patch, amazingly, even though we are the constituency of Grenfell. What powers will you give those local mayoral teams to have that building-by-building brokering role? We heard from the previous panel about the pressure on local authorities generally. Will there be support for them to play that role? I can imagine them having quite a significant part to play if you are to reach this 2029 target.

Richard Goodman: Yes, I think they do have a significant part to play. In terms of access to the data and the platform, Helen has described the initial pilot we are running with Manchester. We expect to expand that

during the course of this year, so that will ensure that all regulators and those with any kind of local supervisory view all have the same view about what we think we know about a building and what they think they know about a building, so that action can be co-ordinated.

Part of what we endeavoured to do with the publication of the remediation guidance was to improve understanding of roles and responsibilities. Inevitably, in different cities, for historical reasons, you have different relationships between fire and rescue services and local authorities—for example, about who might be the lead local regulator. The mayoral plans help to provide certainty about who is going to act with what powers in what place and at what time.

We have put £5 million into resourcing that co-ordinating activity. We have also put £33 million into the underlying enforcement teams as part of the acceleration plan to ensure that there are actually the people on the ground to do the work after you have directed people in the right way.

It comes back to Mr Betts's question earlier: the framework still needs to evolve to make those responsibilities unavoidable, because otherwise we will be generating litigation rather than getting buildings fixed. We want enforcement to drive overall behavioural change, not just for the sake of enforcement activity.

Q55 Mr Betts: Just thinking about what I said before about non-cladding fire safety defects, the comment was made that, "If they need to be funded, we will make sure the freeholder funds those, and it won't go on to the leaseholder." What happens when the freeholder is insolvent?

Richard Goodman: There are a range of steps before you get to the point of escheat, when the title notionally reverts to the Crown. We have had a few cases where, through our engagement, we have found an alternative purchaser for those buildings. We have also got insolvency protections within the Act to ensure that, for example, those liabilities cannot be moved through to another group or area. In reality, if it is a very small freeholder, then we would be in the position of finding an alternative buyer for that building, but where a building is part of a portfolio, the liability will be met at group level rather than being met by that building owner.

Q56 Mr Betts: What happens when the freehold has been bought by the leaseholders who own the individual flats in the building?

Richard Goodman: On enfranchised buildings, Ministers have committed to look at whether there are further policy steps they want to take to protect enfranchised leaseholders.

Q57 Mr Betts: So at this stage they aren't protected?

Richard Goodman: Enfranchised building owners are the freeholder, so there is no relationship there that we have interfered with through the Building Safety Act. That is the framework as it currently stands.

Q58 Mr Betts: Do you know currently how many applications to the building



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safety fund are frozen or held up because of other safety work that needs to be done but that is not being done because it is not cladding work?

Richard Goodman: I am not aware of any applications that are being held up on the basis of an insolvent freeholder, or an enfranchised building that cannot meet the other ancillary costs. But I would be happy to look.

Q59 **Mr Betts:** Can you have a look and see what there is?

Richard Goodman: Certainly.

Q60 **Mr Betts:** Can we come on to social housing? You probably heard the earlier witnesses. Is it true that you can have two identical buildings—with exactly the same structure and issues with building safety—but the one in the private sector can get funding from the building safety fund, while the social housing next door does not have access to the same fund?

Richard Goodman: Just shy of £570 million has gone into the social housing sector through the different schemes in support of remediation work. As you heard from your previous witnesses, there are two routes through which funding can be provided at the moment. One is through a threat to the provider's viability, and the other is where they would otherwise be recovered from private leaseholders—that is obviously a very thin set of circumstances, now covered under the Building Safety Act. Ministers have committed to bring forward a social housing strategy to look at some of those broader issues in the spring, but that is the current framework.

Q61 **Mr Betts:** So currently what I said is correct, in that two buildings can be identical, but the one that is in the social housing sector does not get funding, while the one next door in the private sector does.

Richard Goodman: It is certainly the case that there is no open-access fund for remediation work in the social housing sector.

Q62 **Mr Betts:** Has any assessment been done of the total cost to the social housing sector—to councils and housing associations—of the work that would have been funded if those buildings had been in the private sector?

Richard Goodman: Colleagues at the NAO published an estimate of £3.8 billion-worth of potential liabilities in the social housing sector.

Q63 **Mr Betts:** Has any assessment been done of how many houses will not be built because that money is going to be spent on remediation of building safety?

Richard Goodman: It is certainly the case that social housing providers are having to balance a range of obligations. The Deputy Prime Minister has been very clear that she believes that a landlord's responsibility to the safety of their tenants should be one of their primary priorities. It is of course the case that, where a social housing provider is spending money on one type of activity, it is not spending money on another type of activity. That is one of the reasons why Ministers want to take stock of the overall position in the sector ahead of a strategy in the spring.



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Q64 Mr Betts: It would be helpful if, when taking stock is happening, we knew what that was currently based on: how many houses that are currently having remediation work for fire safety measures would or could that money have been spent on, and how many houses, if their blocks had been in the private sector, would have been funded by the public safety fund?

Sarah Healey: One could make a crude estimate of how many social houses that might fund, but I think the context is a bit more complex than that, because there are a whole range of things that social housing providers are spending resources on, and a whole range of different contextual issues, including the rent settlement, that have affected social housing providers' viability and ability to invest.

As the Deputy Prime Minister has made completely clear, she is committed to social housing being absolutely at the heart of our housing supply goal of 1.5 million houses. In that context—while also emphasising that, as Richard just said, their responsibility to the safety of their tenants is extremely important—we are looking again at the approach to social housing remediation and how it should be balanced, which is a policy decision for Ministers to take relating to what the balance of responsibility should be in this instance, where they may or may not take a different view from previous Administrations.

Q65 Mr Betts: So could we have that estimate, then? It would be helpful.

Sarah Healey: I honestly think it might be so crude that it is not meaningful—

Mr Betts: As crude as it is—

Sarah Healey:—because there are a whole range of issues that are affecting the cost and other areas. Honestly, I am just not convinced that it is insightful or would tell us anything meaningful.

Q66 Mr Betts: The Committee might make a judgment about whether it is insightful, if we could have the information.

Sarah Healey: I am also keen that we spend most of our time focused on trying to resolve the issues rather than looking backwards.

Q67 Chair: I do not know whether you were here, Ms Healey, at the previous session, but one of the witnesses gave a fairly disastrous comment.

Sarah Healey: Yes, 90%.

Chair: There may be other factors involved.

Sarah Healey: I think there are other factors involved, which is why I am reluctant to point at one particular cause, and give a crude number associated with it.

Q68 Chair: Whatever the figures are, it would be helpful if we could at least apply some thought to why those starts dropped—a 90% drop last year in London is quite an alarming figure.



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Sarah Healey: There are all sorts of issues related to—

Q69 **Chair:** I understand that, but perhaps you could send us a letter on why you think that very stark figure is there.

Sarah Healey: We can certainly write to you with an assessment of why we think there have been challenges to the social housing sector's building profiles.

Q70 **Chair:** Clearly, as Mr Betts indicated, if you take money out of a social housing association for this remediation, important and vital though that is, clearly it will not then have the money to build new houses. You were hinting at some change in the funding regime, perhaps by allowing them to enter one of the schemes that you have got—maybe that is a route. When do you think decisions might be made on that?

Sarah Healey: Ministers have said that they will set out a social housing remediation strategy later this year.

Chair: Brilliant, thank you very much.

Q71 **Mr Betts:** Is there any extra funding that might be released for that?

Sarah Healey: It is not for me to make that decision.

Q72 **Mr Betts:** I am not asking you if it will be released; I am asking, if it were to be released, would that still be constrained within the £5.1 billion cap?

Richard Goodman: Again, the choice of what Ministers may choose to fund or not fund is not something that we can give you a view on now.

Chair: Are we happy? All done? Nesil, would you like to come in, or do you want to leave?

Q73 **Nesil Caliskan:** I have to be in two places and do both things—I have a meeting with the Minister, so I really am torn—but I would, with the Chair's permission, like to build on Mr Betts's point around the HRA accounts of local authorities. I take the point that it is a policy decision that is pending for Ministers around spend, and not least the Treasury, but, just for absolute clarity, from a local authority perspective, is it not the case that, when they are making decisions about remediation works for their social housing stock and decisions about whether they build new homes, that money, in most cases, is coming from the same pot, which is the HRA account?

Richard Goodman: It is certainly the case that there is no additional revenue stream beyond the ones I've given you.

Q74 **Nesil Caliskan:** Is it therefore reasonable for Committee members to conclude that when local authorities are deciding whether they do work and whether they complete remediation works, they are therefore having to cut back on their commitments on new homes being built?

Sarah Healey: Or indeed on other spending.

Nesil Caliskan: Yes, but they are the two largest spends.

Thank you very much, Chair. With your permission, I have to go. And thank you to the Committee members.

Q75 Chair: Of course. Thank you for your help.

Ms Healey, or whoever else wishes to answer, these questions are around value for money for the taxpayer and what safeguards you put in the ACM programme—this is basically contained in paragraphs 3.8 and 3.9 of the NAO Report.

You started off with all good intentions for all the safeguards that we in this Committee would expect, including a payment of private sector outcomes in arrears, rather than using the 80% advance funding arrangement available to the social housing sector, for very good reasons. You then decided that you wanted faster remediation and you relaxed a lot of those criteria. It seems to me that it was fairly evident that you would start to get some fraud entering into the system. You then had to reverse that process.

It is one thing to relax criteria, but another to relax them so dramatically where there was obviously a likelihood of fraud. For example, paragraphs 3.4 and 3.7 say that when there was “a move from payment in arrears to up-front payment of between 30% and 80%”, there was one suspect payment of “£500,000”, as set out in paragraph 3.7. It was fairly obvious that relaxing the criteria would lead to fraud in the system, was it not?

Ben Llewellyn: The desire at the time with the ACM fund, which was the first of the schemes to be set up, was to get funding out as quickly as possible and for it not to be an impediment to making progress.

The history is where you look forward from. It is not that there were never any checks at all—there were checks around the scopes of the work, for example, by experts. However, as you as you track forward to 2023, we undertook a fraud risk assessment from the Government Internal Audit Agency, whereby they made a series of recommendations about changes that could be helpfully made, and the last two years have seen the regime tightened up accordingly. For example, there has been benchmarking of costs and a reduction in single-tender actions to only where those are absolutely necessary.

I guess that the big change from then is the introduction of the cladding safety scheme, which had the benefit of being designed bottom-up to help to reduce fraud. Ms Fisher would be able to talk to you a bit about the sort of measures in that scheme that help to combat fraud more systematically than other schemes had in the past.

Q76 Chair: Let me take you to paragraph 3.8 of the NAO Report, which is about addressing fraud risks in the building safety fund. It says in the middle of paragraph 3.8: “MHCLG assures us that it undertook some counter-fraud activity in the interim, but could not provide documented evidence of work undertaken.” If you could not provide the documented evidence, how do we know that any counter-fraud activity took place?



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Richard Goodman: We had a building safety fund fraud team at the time. I am afraid that the access to those records was significantly affected by the unexpected loss of a team member, which explains the particular gap. But we had a referral fraud team in place—

Q77 **Chair:** The team member took the information with them, did they?

Richard Goodman: I am afraid the team member died.

Q78 **Chair:** I am sorry to hear that, but surely you have systems within the Department so that even if somebody leaves or sadly dies, the information is still there and can be retrieved by somebody else—

Richard Goodman: No, because it did not centralise the information in the way that has now happened in the cladding safety scheme. For example, we have been heavily reliant on the audit regime within the Greater London Authority, which essentially manages the casework for individual buildings with the building safety fund.

One of the changes that we have made in creating the cladding safety scheme is to systematise that and put it all in one place, precisely so that we do not have the same sort of narrow point of failure, whereby you are relying essentially on one team to pull together a web of intelligence and information in one place, as opposed to both having designed out the system and, secondly, so as not to rely on kind of call-off investigations, which are initiated by a small group of people as opposed to being reinforced in the system as a whole.

Sarah Healey: But we can give you assurance that the evidence we have provided that that system existed is true.

Q79 **Chair:** Okay. So have the Government's counter-fraud team looked at this, and are they satisfied that you have the correct measures in place?

Ben Llewellyn: We are working with the Public Sector Fraud Authority to work through the assessments that have been done to make sure we build and then keep on track the necessary steps. The NAO Report recommended that we undertake a measurement exercise around fraud, and we have a feasibility exercise under way that will report by the spring so that we understand the next steps of that process. It is an evolving process, but we keep on top of it.

Q80 **Chair:** I quoted one example from the NAO Report—the £500,000. How much fraud is out there in relation to these remediation schemes? Do you have any estimate of that? Are there any cases outstanding where you are still pursuing people who have committed fraud?

Ben Llewellyn: Precisely the point of the feasibility exercise is to get to the point where we can undertake a measurement exercise around fraud, as recommended by the NAO Report. That work is under way.

Q81 **Chair:** When do you expect to complete that?



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Ben Llewellyn: The feasibility work will be completed by the end of March, and then we will work with the Public Sector Fraud Authority and the GIA on implementing that.

Chair: Thank you very much for those candid answers. That is very helpful.

Q82 **Chris Kane:** I will try to be very circumspect about this. I am a bit troubled by the fact that a death can cause you that lack of information. It sounds like it would be useful for us to understand a bit more about that, perhaps in a letter. I am keen to understand whether it is a one-off—a highly unusual situation—or whether something has gone wrong with the record keeping.

Sarah Healey: I think it is fair to say that we acknowledged that something was awry with record keeping in that instance, and we have changed it subsequently.

Q83 **Chris Kane:** And you have assured yourself that this was a highly unusual, one-off situation, not something that is going on elsewhere?

Richard Goodman: Perhaps Helen can speak to this. We have very fundamentally changed the system and the set-up of the scheme.

Q84 **Chris Kane:** I don't think it is the scheme. What I heard was that, within the Department, one person managed to cause quite an issue with data. My worry is that there are more points of failure within the Department. The assurance I am looking for is that, based on what you have found out in this instance, you have done that work across the Department to make sure this was a one-off and there is not a cultural problem that allowed that to develop.

Sarah Healey: We can certainly look at that and see what information we can provide you about it.

Chair: That is very helpful. Thank you, Ms Healey. Chris Kane, do you want to go on to the levy?

Q85 **Chris Kane:** Yes. I was going to ask a couple of questions about the building safety levy in particular. You say that you are going to start collecting it in the autumn. What needs to be in place to start collecting the building safety levy in the autumn? Are you on track to do that?

Ben Llewellyn: Yes, we are. We need secondary legislation, and we are introducing that in the spring. The other bit outside the legislative bit that we need to do is that we need to work with those down on the ground who will have to collect the levy and obviously those who will have to pay it. We have undertaken significant engagement to date, albeit, as your last panel indicated, without all the detail set out at the moment. At the point at which we introduce the legislation, we will produce the additional detailed guidance that partners will need to understand the steps they need to take. I assure you that we have done significant engagement to date, and we have working groups, including with the LGA, to set out the position as it stands.



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Local authorities will need funding for the activity they perform. We have written to authorities to assure them that they will get establishment costs to build the systems and processes they need to collect the levy. We hope to provide local authorities with sufficient time. They have told us that they need us a good six months, so we are providing them with a six-month run-in period so that they can be ready to collect the levy in the autumn.

Q86 Chris Kane: I am a former local council leader, and my alarm bells started to go there. Given where we are with needing to set resources ahead of budgets, are you confident that local authorities can do that? It is all very well for them to say, "Yes, we can do it in six months," but are you happy with that?

Ben Llewellyn: We have engaged a lot with the bodies that will collect the greatest proportion of levy to understand where they are. We have an implementation team that will continue to engage over the next nine months with those authorities and work with them to ensure they are taking the steps they need to take to be ready. Our detailed guidance will provide information, such as process flows, and the sort of detail that operational teams will need to put in place to get themselves in the right position. The letter we already wrote to local authorities in January indicated the money that we will provide to them this year, which allows them to begin to staff up so they can be ready for the autumn.

Q87 Chris Kane: Are they aware of the plan? They will not have to wait until the legislation goes through to get enough of the details to begin the workforce planning and the resource implications that they are going to require.

Ben Llewellyn: That is right. They have been told what they will get this year in order to set up. They will be funded, on an ongoing basis, on a full-cost basis for the work that they have to do. Of course, this is on the back of an extensive development period for the levy. We have undertaken two consultations where the local authorities have fed into that process in order to refine the detail around the levy.

Q88 Chris Kane: This is obviously one where you do not need to wait for the legislation for the details of how you are going to do it. Can you give us a little bit more colour as to how this is actually going to work in practice? Also, how are you going to make sure that the developers pay it? It is all very well to have local authorities geared up to do, and I would like to hear a little bit about that, but then they have to make it work.

Ben Llewellyn: Of course. The payment of the levy is built into the building control process. On the completion of a property, the local authority would give the developer of the property a completion certificate. One of the new conditions for granting a completion certificate will be payment of the levy. The levy for a particular property is based on a calculation that reflects a range of factors, including local house prices and the size of the dwelling, both of which either are provided to the local authority or it will be aware of from the planning application itself.



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Q89 **Chris Kane:** But fundamentally, if they do not pay it, no one is moving into their buildings.

Ben Llewellyn: They cannot get the completion certificate.

Q90 **Mr Betts:** I have two questions on the levy. First, it is going to come in after some money has been paid out by Government through the building safety fund, and it is going to offset that. I think the estimate is that at no time will the taxpayer be at risk for more than £6.3 billion. Is that still the figure, even if the programme of remediation has accelerated in the way that you hope?

Richard Goodman: The taxpayer cap is £5.1 billion. We expect the levy to raise about £3.5 billion over a period of 10 years.

Q91 **Mr Betts:** But it come in after some of the money is spent.

Richard Goodman: Yes, exactly.

Mr Betts: So there will be a time when taxpayer is actually—

Richard Goodman: The arrangement is that we have £5.1 billion allocated. Beyond that, you have the developer levy. Obviously, developers owe us money for buildings that we have previously paid out on to the tune of about £700 million. The levy acts as the balancing factor in that equation. The Treasury essentially underwrites the cash-flow gap, to the extent that there is one. Levy rates will be published in due course, but also the length of the levy can be varied in order to take account of the final bill.

Q92 **Mr Betts:** Is it right that that exposure—the taxpayer gap—will never be more than £6.3 billion?

Richard Goodman: I am not quite sure what that £6.3 billion—

Q93 **Mr Betts:** I understand it is the figure that the public sector could be at risk of, or exposed to, through NAO assessments.

Richard Goodman: The overall range of total cost across the social housing sector developers is £12 billion to £24 billion. Obviously, we are very keen to narrow that range down. The policy commitment from Ministers is that anything that needs spending beyond that £5.1 billion will be recouped through the levy. Obviously, that depends on the overall amount of demand for the scheme and the number of buildings out there, which is one the reasons we are so keen to reduce that uncertainty. But that £5.1 billion is fixed as a matter of policy.

Q94 **Mr Betts:** That is the ultimate cost, but there will be times when there is more money gone out until the levy comes in.

Richard Goodman: Yes.

Q95 **Mr Betts:** What is the maximum amount of money that could be owing? The £5.1 billion plus money that will eventually come back—what is the total of those two together?



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Richard Goodman: I cannot give you an immediate number, on the basis that it is calculated on ranges that make a series of assumptions around the pace at which—

Q96 **Mr Betts:** Perhaps we can have a note about that.

Richard Goodman: Sure.

Q97 **Mr Betts:** You have just explained how the levy is going to be calculated. We talked about social housing providers and the effect of the costs of remediation on their building programmes. Have you done any impact assessment of how many fewer houses will be built by private developers if they have to pay the levy in the way that you are calculating?

Ben Llewellyn: We have not published any assessment. We think the impact will be relatively small, but we have not published an actual amount.

Sarah Healey: It is also worth reflecting that, as with social housing, there is a range of decisions that private developers can make in the circumstances of what they owe on the levy. We have deliberately designed the levy to take into account factors to protect housing supply, but we make no apology for the fact that we are asking both for an acceleration in supply and for an appropriate contribution for the mistakes of the past.

Q98 **Mr Betts:** Has an impact assessment been done?

Sarah Healey: Not with a specific number.

Q99 **Mr Betts:** If you look at social housing provision in the last few years, section 106 contributions have been very much to the fore. A major part of affordable housing delivered by housing associations comes through section 106 agreements. The issue there is very often viability, with developers saying they cannot provide more social housing on sites through 106 because of viability. Have you done any assessment, therefore, of how far the levy will affect the viability of sites?

Richard Goodman: What we have done is taken a range of design features to reduce supply impact and particularly to minimise the threat of where the levy itself may cause viability challenges. Ben, do you want to talk about some of those?

Ben Llewellyn: There is a discounted rate for brownfield land, where viability challenges can be greater. For example, affordable housing providers will not pay the levy for their own developments. The rate of the levy that is paid will depend on the individual housing markets and the house prices within the market, and again that protects viability. In addition, we have taken a few years to design the levy and bring it in. That allows developers to adjust the price they pay for land. For the land that is subsequently purchased, it removes the argument that because of the levy, they should build less affordable homes, because they have had the time to purchase the land at the right rate, to build the right amount of affordable housing on that land.



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Q100 **Mr Betts:** Have you done an impact assessment to show that as well?

Richard Goodman: We have obviously, internally, looked at the factors that we think may or may not drive housing supply. What we have not published is a linear assessment that says, "This particular tax may give rise to this particular supply impact," because as the permanent secretary says, there is more than one factor there, and it will not be a linear relationship between the two, in the same way that inflation, overall levels of tax costs—

Sarah Healey: Planning changes.

Richard Goodman: Planning changes, workforce supply and all those other factors come into overall—

Q101 **Mr Betts:** Can I ask one particular question? You have mentioned that if social housing providers do their own development, they will not be subject to the levy on that development. Are you going to levy against houses that are built through section 106 agreements and are then going to be passed on to social housing providers to purchase at appropriate rates?

Ben Llewellyn: Those are not levied.

Q102 **Mr Betts:** They are not levied?

Ben Llewellyn: Not the section 106 proportions of a development.

Q103 **Mr Betts:** So you would look at the proportion of a development that was covered by 106 and then reduce the levy accordingly.

Ben Llewellyn: Yes.

Q104 **Chair:** Ms Healey, I am going to follow this up again, because I am not totally convinced by these answers and this is probably one of the most important things in the NAO's Report. Paragraph 3.16 on page 65—this is a Report agreed between your Department and the C&AG—says that it was "estimated that the Levy, alongside other changes in the policy environment, would reduce the affordable housing supply by 70,000 homes over the next decade."

Sarah Healey: That is the Home Builders Federation analysis.

Q105 **Chair:** Yes, that is true, but what if that is anywhere near correct? The Report goes on to say: "There was no reference to the impact on the wider housing supply," the issue that Clive Betts has just raised. It also talks about "concern that the Levy might divert funds from other developer contributions—including the Community Infrastructure Levy and Section 106 payments"—

Sarah Healey: We agree that—

Chair: Hang on, please. This is a really serious matter, and I am a bit surprised by your and your officials' answers that no official impact study has been done on the damage that the levy might do to these other aspects of housing.

Sarah Healey: We obviously do a significant amount of analysis projecting forward on house building, in which we take into account a very wide range of factors that interconnect.

Q106 **Chair:** Can we have some examples of that? It is very easy to say that, but can you give us some evidence to back it up? This is a really serious issue and I am not really convinced, from what I have heard today, that this work has been done, because otherwise I think you would be able to tell us a bit more about it.

Sarah Healey: We are also looking at an extremely dynamic situation in which we are making ongoing policy changes that are changing the house building environment quite significantly.

Q107 **Chair:** The levy is quite a big sum of money. Money does not just grow on trees; if you take it from one place, it has to have an impact somewhere else, surely.

Richard Goodman: If I can take you back to Ben's answer, having a linear projection that produces a very clear and traceable view from a financial impact in one part of the system at one point in time to a certain supply impact is different from us taking supply into account at the point at which we designed the levy. The policy parameter that Ministers have set is that the levy will be the balancing factor on any demand on taxpayer-administered funding above the £5.1 billion. Within that context, they have obviously been keen to ensure that the design of the levy reduces impact on supply to the extent that that is possible. That involves the changes to AHP eligibility, the brownfield discount and differential regional prices to ensure that areas of the country that are most subject to small movements in pricing and therefore the biggest hits to viability are the least affected. But there is a whole range of other factors that will affect supply over the next decade.

Candidly, if I went back over any of the sorts of submissions that I have seen in the past four years like this one from the HBF and tried to find the counterfactual, I would be very hard placed to find it, because I have yet to encounter anyone producing a projection on housing supply or affordability supply that has matched what has actually happened in real life. We are very alive to the range of balancing factors. What we have not committed to is an impact assessment that sets out a linear relationship between a particular pound and a particular year and the impact that will have on the number of units.

Sarah Healey: Our relentless focus is on what policy changes are the appropriate ones to make to speed up remediation, as we have been discussing today, to ensure that the balance of who pays for remediation is fair and justifiable, and to look again at what needs to be done to support social housing providers to fund and deliver remediation, and, as you will have seen from a series of announcements that we have made, on making planning changes and other changes to try to facilitate growth in supply.

Q108 **Chair:** I hear all that, but our actual experience on the ground is that



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social housing starts in London last year dropped by 90%, and the Home Builders Federation is saying that we are looking at a drop in supply over the next decade of 70,000 houses. I am not convinced. We have got to where we are with this whole remediation problem because it has been underestimated the entire way through. The difficulties have been underestimated, the costs have been underestimated, and I am still wondering whether you have underestimated the effect on the provision of social housing over the next decade. Ms Healey, I would like you to write us a fairly careful note, within the next fortnight, please, in relation to the Home Builders Federation analysis in paragraph 3.16 of the Report so that we can reflect on it and consider it when we are compiling our Report.

Sarah Healey: We have not been able to replicate that number, I do not think.

Chair: That is fine.

Sarah Healey: We are very happy to do what we have already discussed, which is to set out to you what we think are the various factors impacting social housing supply in various parts of the country, including London.

Chair: That would be very kind, and we can reflect on that.

Mr Betts: And the private sector as well, because the Home Builders Federation is raising concerns about the private sector as well.

Sarah Healey: We can set out all of the contextual factors around housing supply.

Chair: That is very kind. Thank you very much.

Q109 **Joe Powell:** Of all the different parts of industry we have talked about, the one that has yet to pay anything in is the manufacturers of non-compliant products. The remediation plan says that the Prime Minister has made it clear and written to the companies. At the moment, you are not aware of any national Government contracts that are outstanding with any of the product manufacturers implicated in Grenfell.

Richard Goodman: The inquiry describes truly astonishing behaviour, in a terrible way, on the part of some of those manufacturers. There is obviously a whole load of investigative processes happening, but—you know, stomach-churning approaches to public safety. The Prime Minister announced a Cabinet Office review about ensuring that companies do not get contracts from Government. We are not aware of any direct contracts of our own. The Cabinet Office will update on that process and its approach to the broader public sector contractual framework in the coming weeks.

Q110 **Joe Powell:** Including local government?

Richard Goodman: It will look at guidance for the public sector as a whole. Obviously, different public authorities have different approaches to taking that guidance into account, depending on their own statutory functions and the powers available to them.

Q111 **Joe Powell:** What is your strategy for securing compensation payments from those product manufacturers?

Richard Goodman: Ministers have been very clear that there needs to be further reform of the sector and have committed to publishing a Green Paper. They have ruled nothing out in terms of further action. I hope you will understand why I cannot gainsay any ministerial comments about what policy direction they might take in relation to manufacturers in the future.

Q112 **Joe Powell:** I think there is huge public interest in this. Is the delay on holding those product manufacturers to account from a financial perspective? What is behind the delay? You heard the developers earlier saying that they feel like they are the main ones that have been asked to pay in. Significant responsibility for this crisis is with non-compliant product manufacturers, so why are they still not on the hook for paying in to solve the problem?

Richard Goodman: My ministerial colleagues have been very clear about their disappointment in the sector coming forward with funding. Under the previous Administration, the framework was changed in order to allow easier civil recovery of liabilities from manufacturers and others in the supply chain. That is partially because, of course, the relationship between an individual company and an unsafe building is much less direct. For example, there will be safe Kingspan products on buildings in individual places. Therefore, it makes sense for the person who originally built that building to get behind what they were marketed and what they were told, and how they understood the responsibility that was provided to them. In terms of broader accountability and financial contribution, as I say, Ministers are very focused on taking further action, but they will set out their policy view on that in due course.

Q113 **Joe Powell:** Obviously, we cannot speak for the Metropolitan police investigation and the CPS. We know that they will be considering whether these companies should be charged, but that is separate; that is not a factor in delaying the Government's approach to securing compensation from the product manufacturers.

Richard Goodman: The Government wishes to support any investigative activity in the light of Grenfell—

Joe Powell: But it is not delaying—

Richard Goodman: No. The question of financial compensation or financial contribution, in the form either of the levy or of a statutory scheme, or of some form of contractual arrangement akin to the developers, is obviously a separate matter, which will be looked at for the industry as a whole, and is a policy question rather than one of implementation.

Q114 **Chair:** "Stomach-churning" is one of the strongest statements I have heard against a private sector organisation in my entire time on this Committee. That was a pretty strong statement. I am surprised that it has



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taken all Governments—I am not making a political point here—so long to pursue the product manufacturers. Particularly, I would feel pretty annoyed if I had voluntarily contributed to the developer remediation programme as a developer, only to find that the products people, who may or may not—I do not want to make any accusations—have been part of the problem, had not paid anything. It just seems like gross inequity.

Sarah Healey: The first thing I would say in response to that is that the comments Richard has made about the behaviour of some of the product manufacturers are simply echoing what is in the Grenfell Tower inquiry report, so the Government's perspective that it supports those conclusions about the behaviour of the product manufacturers is a matter of public inquiry record. Obviously, we cannot go into the reasons why Ministers have taken the policy decisions that they have in the past with regard to whether levies were placed in one place or another; all we can commit to you is that Ministers are looking at a wide range of options here, and we have promised to come forward with further reform to construction product manufacturers.

Chair: Another policy issue we have come across today. We have heard that loud and clear—thank you very much.

Q115 **Mr Betts:** Paul Morrell did a report on product testing and safety. Neither Government responded in detail to that, did they? Is that something that you are going to have a look at—advising Ministers about the course of action to follow now, with regard to product manufacturers?

Richard Goodman: It certainly is. Ministers have committed to publishing proposals about further reform in the sector soon. I cannot give you the exact date for that, but Ministers have certainly taken an interest, including in the independent review.

Mr Betts: Okay.

Q116 **Chair:** Thank you very much. While we are on the developer remediation programme, the property people in the last panel said that all the affected developers had paid up. Is that correct—that you are not pursuing any other developers to pay up to the developer remediation programme?

Ben Llewellyn: No. The scheme reflects those that we envisage should be in the scope of that scheme.

Chair: Fine. Thank you very much.

Q117 **Joe Powell:** I have a question on the code of practice for the remediation of residential buildings, which was discussed in the previous session. How are you assessing whether that is fit for purpose, and whether leaseholders and others are getting the improved communication that you expect? How are you monitoring that? You heard the evidence from End Our Cladding Scandal, which feels that it is very patchy.

Helen Fisher: We have had the luxury of working very closely with End Our Cladding Scandal on the design of the cladding safety scheme. It has been a huge support in developing that type of tone and the level of



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service that we should expect for leaseholders and residents. One of the main factors is that changing the payment mechanism has allowed us to embed resident communication into the scheme: to access funding at each of the stages you must send evidence—good-quality remediation communication—to the leaseholders and residents in those buildings. We have gone one step further, so that it is compulsory that, at every four months of being on site, you must send out a survey to residents and leaseholders.

We are 18 months into that now, and are starting to get those buildings on site. We hope that that will help us to constantly learn and to work with leaseholders and residents to create the service that they deserve. We have also been supporting a number of local initiatives, as we set up our local remediation acceleration plans and residents and leaseholders communication strategies, to allow them to feed in on how they would like this to work. It is certainly far more embedded in the new programmes.

Q118 Chair: Thank you. I have one final question, Ms Healey. We referred at the beginning to the 9,000 to 12,000 buildings in the medium-range sector that need remediation. Your Department's estimate—this is paragraph 1.16, on page 31, of the NAO Report—is that this will cost between £12.6 billion and £22.4 billion, with a central estimate of £16.6 billion. I get worried by these figures, because I wonder how they have been calculated to be as precise as they are. Are you confident, at this moment in time, that the Government's contribution of £5.1 billion will be enough to do the entire job?

Sarah Healey: Absolutely. There are no plans whatsoever to spend any more than £5.1 billion of public money on this. We are clear that any funding in excess of that will need to come from other sources—for example the building safety levy.

Ben Llewellyn: The work we are doing this year to—as you said right at the start—identify the buildings that need remediating will really help us to narrow down the large range that we have at the moment. We publish prevalence estimates, and, over the course of the year, we would hope to be able to tighten those estimates.

Richard Goodman: We expect that range to narrow, and we will be able to publish how much that narrows by during the course of this year.

Q119 Chair: Extrapolating from your answer, Ms Healey, if it is not enough funding, and you are saying that the Government are not going to provide any more, that means that the levy either has to go up or has to be extended.

Sarah Healey: Yes.

Chair: Which is it?

Richard Goodman: The decision will be for Ministers.



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Sarah Healey: How you do it is a policy-design decision, but, fundamentally, within these ranges, we anticipate that we have projected forward broadly what we expect the levy to be, and what we expect public funding to be, but public funding is subject to a cap.

Q120 **Chair:** I think that something else that you would have to take into consideration would be the effect on the wider housing sector, since the Government have committed to building all of these houses, and particularly social housing. If the levy goes up, that is even more money being taken out of the sector. That will have an even greater effect, won't it?

Sarah Healey: Equally, obviously, if public funding had to increase, less of that could go towards grants to support social housing, so these things will all have trade-off impacts.

Q121 **Chair:** Of course. The other question is: are there enough skills out there to be able to do this work? Perhaps you would just like to address that. I think that actually getting the number of houses that you want built is going to be very challenging with the amount of skills available in the development sector, so whether you will then also have enough skills to complete all this remediation work must be a question.

Sarah Healey: I think we have touched a bit on skills in the supply chain, on cladding specifically, but I could go into that for the broader construction workforce, where we obviously carefully monitor issues regarding the number of skilled workers available. We have put £140 million into a fund to support training and development to produce an extra supply of labour to support the target, but we continue to look at what more we can do, and we will set out more of that in our housing strategy later this year.

Chair: Brilliant. Thank you very much for your evidence this afternoon. We will be producing an uncorrected copy of the record in the next few days, and our Report will follow on after that, no doubt with recommendations. We hope very much, on behalf of our constituents, or the constituents affected, that all your predictions are right and that it will all be remediated within the timescales, but, no doubt, we will be looking at this issue in the future. Thank you very much for all your evidence today.