



Levelling Up, Housing and Communities Committee

Rt Hon Simon Clarke MP
Secretary of State
Department for Levelling Up, Housing and Communities
4th Floor, Fry Building
2 Marsham Street
London
SW1P 4DF

7 September 2022

Dear Simon,

Building Safety Act 2022

Congratulations on being appointed Secretary of State for Levelling Up, Housing and Communities. My Committee looks forward to working with you and to meeting you formally in the near future. Before then, I am writing in relation to concerns that have been shared with my Committee regarding perceived gaps in the Building Safety Act 2022. Building safety and the remediation of historic defects has been a priority topic of scrutiny for my Committee since the Grenfell fire. While I appreciate that you are new in post, I would be grateful if your Department could provide further information on the following areas:

1. Liability of professional freeholders

Through the “waterfall” model of liability established through amendments to the Building Safety Bill earlier this year, professional freeholders are next in line to pay for remediation if the original developer cannot be found. We have been informed that freeholders typically have a 2-3% economic interest in a building and many risk becoming insolvent if assigned liability to fund remediation. We are concerned about delays to remediation works if liable freeholders are unable to fund works.

2. Grant Funding Agreement

It has come to our attention that the Grant Funding Agreement for the Building Safety Fund is not compatible with the Building Safety Act 2022 due to amendments made in early 2022 during the Bill’s passage through Parliament. This again has led to delays to remediation works.

3. The Developer Pledge

While the developer pledge to pay for and carry out remediation and reimburse the public purse for any Government remediation funds is welcome, we note that the pledge is voluntary, with 49 developers signing up so far. We are concerned about delays to remediation where developers have not signed the pledge, leading to possible disputes or confusion about liability.



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4. Impact Assessment

It has been brought to our attention that, following significant amendments to the Building Safety Bill, the Government did not conduct an updated impact assessment. In our report *Building Safety: Remediation and Funding*, we specifically called for an impact assessment to address potential unfairness to buy-to-let landlords, having observed some gaps in the Government's proposals at the time.

5. Fund for buildings 11-18m in height

To avoid further delays to remediation it is vital that the Government publishes a timetable for the fund for buildings 11-18m in height. Leaseholders of these buildings have been promised that their nightmare is over, but there has been no further information about the fund several months on. This is unacceptable.

I would be grateful if you could comment on these areas and provide information on how the Government intends to resolve these issues. In particular, I would appreciate specific information on:

- The Government's estimate of the number of affected buildings developed by organisations who have not signed the developer's pledge;
- How the Government intends to hold to account developers who have not signed the pledge, without further burdening freeholders and leaseholders;
- The timetable for the updated Grant Funding Agreement; and
- The timetable for the fund for buildings 11-18m in height.

I appreciate that it is a time of change within the Government, but given the lengthy delays to making people's homes safe, I would appreciate a response by 21 September.

Best wishes,

Mr Clive Betts MP
Chair, Levelling Up, Housing and Communities Committee