

Committee of Public Accounts

The Remediation of Dangerous Cladding

Seventeenth Report of Session 2024–25

HC 362

Committee of Public Accounts

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Summary

The scale and impact of the cladding crisis that followed the Grenfell Tower disaster has proved much greater than anyone understood when this Committee first reported on it in 2020. What was then a £600 million programme to remediate 450 high-rise buildings with flammable cladding, is now a remediation portfolio comprising five programmes and covering an estimated 9,000 to 12,000 medium and high-rise buildings. The total cost of remediation, to both the public and the private sector, could be between £12.6 billion and £22.4 billion and this broad range is still an estimate. At this stage Government doesn't appear to have an estimate of all the necessary fire safety works including the removal of flammable cladding.

Progress in establishing the number of buildings affected, and in remediating those with dangerous cladding, is far too slow. As many as 7,000 buildings are yet to be identified and work has yet to start on half of the 5,000 buildings already within the Ministry of Housing, Communities & Local Government's (MHCLG's) portfolio. The cladding crisis may have affected up to 3 million people and far too many residents continue to suffer appalling financial difficulties and emotional distress while they wait for their homes to be made safe. Many struggle to pay exorbitant insurance costs which, under current approaches to remediation, risk remaining high even after works have been completed. Many are trapped, unable to sell their homes or move on with their lives.

Due to the uncertainty in the number of buildings that need remediating, the range of potential remediation costs remains very large. Target remediation dates within MHCLG's new Remediation Acceleration Plan are unconvincing. MHCLG has capped the taxpayer's contribution at £5.1 billion in the long run. However, the already-delayed Building Safety Levy may need to run for longer than the anticipated 10 years to recoup any public spending in excess of this cap.

Eight years on from the Grenfell fire, residents and taxpayers still face unacceptable levels of uncertainty and lack of action in resolving the cladding crisis. MHCLG's Remediation Acceleration Plan lacks ambition. It fails to address the impact of non-cladding defects on progress with cladding remediation and will not make product manufacturers contribute to the cost of remediating their dangerous cladding products. The Plan identifies a range of barriers to successful remediation, including landlord reluctance, constrained supply chain and regulatory capacity, and lack of access to funding for social housing providers, and we are unconvinced that MHCLG's current activity will be sufficient to effectively tackle these to deliver the results promised.

Introduction

Following the 2017 Grenfell Tower disaster, the Ministry of Housing, Communities & Local Government (MHCLG) has led the government's support for remediating residential buildings with unsafe cladding. In 2023, MHCLG brought its five remediation programmes into a single portfolio, comprising two grant programmes for high-rise buildings (over 18 metres), a newer Cladding Safety Scheme for predominantly medium-rise buildings (11–18 metres), and two monitoring schemes for self-remediation by social housing providers and developers.

The previous Committee examined progress in remediating dangerous cladding in 2020. It found that progress had been unacceptably slow and condemned the badly missed target for Grenfell-style aluminium composite material (ACM) cladding to be removed from almost all high-rise blocks by June 2020. It warned that it was imperative that MHCLG met its new target, which was for works on the remaining high-rise blocks to be completed by the end of 2021. By December 2024, work had yet to start on nearly a quarter of the 1,323 buildings in MHCLG's high-rise programmes.

Almost eight years on from Grenfell, work is yet to start on over half of the 5,000 buildings in MHCLG's portfolio and as many as 7,000 unsafe buildings over 11 metres are still to be identified. MHCLG's current best estimate is that the cost of remediating all 9,000 to 12,000 buildings over 11 metres that may need it is £12.6 to £22.4 billion (central estimate of £16.6 billion). It plans to keep taxpayer contributions capped at £5.1 billion, with private owners, social housing providers and developers paying the remainder. Developers will pay to remediate buildings within the ongoing Developer Remediation Programme and, from autumn 2025, through a Building Safety Levy on new developments.

In 2022, concerned that too many buildings were undergoing unnecessary and costly remediation work, MHCLG adopted new guidance – PAS 9980 – for assessing the fire risk of external walls. This took a more proportionate approach to remediation and allows for greater use of lower cost mitigations, such as sprinklers. MHCLG's Remediation Acceleration Plan, published in December 2024, set a target of 2029 for completing remediation on all high-rise buildings over 18 metres and for completing, or having a completion date for all buildings over 11 metres, otherwise landlords would be liable for severe penalties.

Conclusions and recommendations

- 1. Given the lack of progress to date and the remaining challenges ahead, we are sceptical about the adequacy and achievability of MHCLG's Remediation Acceleration Plan.** With up to 7,000 unsafe buildings yet to be identified, painfully slow remediation progress and significant barriers still to address, we share campaigners' concerns that MHCLG's Remediation Acceleration Plan is both insufficiently ambitious and at risk of not delivering what is promised. The 2029 target in the plan is twelve years after the Grenfell fire and still does not expect remediation to be complete for all buildings. Some buildings might not even have started remediation works by then. Remediating buildings more quickly will in part rely on legislative changes, the timing for which MHCLG does not control. In addition to Homes England's efforts to identify all affected medium-rise buildings, MHCLG will also need to legislate to introduce mandatory registration of these buildings. The Remediation Acceleration Plan does not address the impact of non-cladding defects on progress with cladding remediation. Despite longstanding promises to make industry pay, MHCLG has yet to find a way to secure a financial contribution towards remediation from manufacturers of dangerous cladding products.

RECOMMENDATION

MHCLG should, within six months, provide the Committee with an update clearly setting out: i) what it is doing to address the gaps between its Remediation Acceleration Plan and the policy and legislative changes needed to deliver them, and by when it expects them to be addressed; ii) what it is doing to ensure that non-cladding defects are not holding up progress on cladding remediation and iii) Homes England's progress identifying buildings with dangerous cladding; iv) When it is going to produce proposals to ensure that all fire safety defects, irrespective of whether they are related to cladding issues, are properly addressed.

2. Insufficient capacity and skills across regulators, local authorities and the construction sector risks undermining MHCLG’s acceleration plans.

In 2020, the previous Committee warned that skills needed for remediation work would come under pressure as the scope of government’s programmes increased. With MHCLG now planning to accelerate remediation, there are risks that there will not be enough suitably qualified fire risk assessors to determine the scope of works, or trained cladders to undertake the work. This is likely to be exacerbated by a wider context of ambitious housebuilding targets and constrained construction sector capacity. Yet MHCLG appears complacent about the risks posed by this lack of capacity. Despite MHCLG’s assurances of additional funding and support for local authorities, local authorities may still lack the powers, capability or capacity to undertake the volume of necessary enforcement action. Where buildings are entering MHCLG’s portfolio, ongoing delays to building control approvals by the under-resourced Building Safety Regulator (BSR) could continue to hold up works on the highest risk buildings. We are alarmed to hear that BSR approvals are typically taking four to five times longer than the targeted 12 weeks.

RECOMMENDATION

MHCLG should, by the end of July 2025, write to the Committee clearly setting out what action it is taking to help ensure there is sufficient capacity across the remediation system, and how it is assuring itself on progress.

- 3. We are appalled that those living in affected buildings continue to suffer an unacceptable financial and emotional toll.** Far too many people continue to feel trapped in unsafe homes, many facing financial uncertainty and many unable to sell their homes and move on with their lives. Residents face ongoing delays to works starting, often due to disputes over which safety risks are considered tolerable, and disruption when work is underway. MHCLG’s promise of a formal dispute resolution process is yet to materialise. The previous Committee recommended greater transparency and communication in 2020, yet information for many residents is still poor. MHCLG asserts that its 2023 Code of Practice for remediation puts residents at the heart of the process, but adherence is not mandatory and there is little evidence it is achieving this. Homes England’s ‘Tell Us’ tool, which enables residents to ask if Homes England is aware of their building, sounds promising but Homes England acknowledges there is more to do to publicise it. It is too early to say whether the resident surveys required for the Cladding Safety Scheme are making a difference.

RECOMMENDATION

MHCLG and Homes England should write to the Committee annually, starting alongside its TM response, with an update on how effectively it is putting residents at the heart of its remediation efforts, including: i) the usage and effectiveness of the ‘Tell Us Tool’ to help identify affected buildings; ii) the effectiveness of its dispute resolution process and whether it is using restrictions on developers; iii) how it is measuring and monitoring adherence to the Code of Practice and what action it is taking for any breaches; and iv) the outcomes of resident surveys conducted for the Cladding Safety Scheme.

- 4. MHCLG is not doing enough to manage the risk that residents in affected buildings face exorbitant insurance premiums in the long term.** The previous Committee raised concerns in 2020 about the spiralling insurance costs faced by residents awaiting remediation and MHCLG committed to working with insurers to address them. MHCLG asserts that it has taken steps to ban terrible practices around high fees and commissions for arranging insurance. However, industry research shows that premiums for high-rise buildings doubled between 2016 and 2021 and MHCLG admits that the risk pooling arrangements it has brokered with the insurance industry have yet to reduce the highest rates. Insurance costs for buildings remediated under MHCLG’s more proportionate approach to risk (using the PAS 9980 standard) may remain high even after works are completed. This new standard prioritises risk to life rather than risk to property and supports greater use of lower cost mitigations such as sprinklers. Where risk is deemed tolerable, this can mean some flammable cladding staying in place. The insurance industry is warning that, without a standard that prioritises risk to property and requires the removal of combustible cladding, it will be unable to reduce premiums significantly.

RECOMMENDATION

MHCLG should urgently:

- a.** undertake a review of insurance premiums so it understands how rates compare for those remediated under both the new and old standard; and
- b.** consider what more it can do to: i) help bring down insurance premiums for residents awaiting remediation works; and ii) address the risk that insurance for buildings remediated in accordance with the newer PAS 9980 standard is unaffordable even after works are complete, and ask the insurance industry to provide information about the overall costs of insurance premiums in high rise buildings post Grenfell and the increased insurance company payouts to policy holders.

- 5. Eight years on from Grenfell, we are concerned that MHCLG still does not know how many buildings have dangerous cladding, how much it will cost to address, or how long it will take.** MHCLG's latest estimate, that 9,000 to 12,000 buildings will need remediating at a total cost of between £12.6 billion and £22.4 billion, is very broad given the length of time that has passed since Grenfell and is now more than a year old. MHCLG asserts that it is working to narrow the range, but promised six-monthly updates have not materialised. This level of uncertainty means that MHCLG cannot know if it is on track to achieve value for money for residents and the taxpayer. PAS 9980, leaves too much open to interpretation and is resulting in disagreements over the extent of remediation required. Meanwhile, MHCLG's data on the unit costs of remediation is based on the costs of remediating high-rise buildings under the more risk-averse standard pre-dating PAS 9980. This risks further uncertainty and a lack of accuracy in its estimates of the total cost of remediation. MHCLG assures us that overall taxpayer contributions are capped at £5.1 billion, but the broad range of potential costs means it does not know how far in excess of the cap public funding might need to rise in the short term to maintain the pace of remediation before contributions are fully recouped from the new Building Safety Levy which would have to run for longer to fund any shortfall.

RECOMMENDATION

MHCLG should:

- a.** By the end of July 2025, publish its latest estimates for how many buildings are affected by dangerous cladding, how much remediation will cost (including latest unit cost data), and when it expects work to be completed;
 - b.** bring forward, by the end of 2025, detailed proposals as to how construction manufacturers should be required to pay a share of the fire safety remediation costs and how this will relieve the pressure on leaseholders and tenants; and
 - c.** indicate when it will respond to the Morrell report on product testing and safety and whether as part of that they will be giving consideration for a requirement that all tests of materials, those that fail as well as those that are successful, should be published.
- 6. MHCLG's previous attempts to speed up remediation exposed the taxpayer to increased risk of fraud.** When MHCLG launched its high-rise Building Safety Fund in 2020 it relaxed a range of taxpayer protections in order get money out to projects quickly. While this approach has since been reversed, a potential loss of over £500,000 has been identified due to suspected fraud involving funds paid out in advance. MHCLG says

that counter-fraud activity was underway before a belated Fraud Risk Assessment was completed in 2023. We are concerned that poor record keeping resulted in documentation being lost. Lessons are being learned, and the Cladding Safety Scheme is on a sounder footing, including counter-fraud controls. As MHCLG prepares to accelerate remediation work, we are encouraged that it is engaging with the Public Sector Fraud Authority and taking forward work to undertake a measurement exercise to learn more about the extent of potential fraud and the effectiveness of its controls.

RECOMMENDATION

MHCLG should, by the end of 2025: use findings from fraud measurement exercises to strengthen its counter-fraud controls and ensure they are adequate to meet accelerated funding demand; and share relevant learning across the Ministry to help prevent fraud in other programmes.

- 7. We are not convinced that MHCLG is taking the potential impact of its remediation plans on wider housebuilding targets seriously enough.** The government has pledged to build 1.5 million homes during this Parliament. The construction sector is reporting workforce shortages. There is a risk that MHCLG's approach to remediation could negatively impact the delivery of this target, and the construction of affordable housing in particular. Paying for remediation works risks diverting social housing providers' resources away from building new housing. Housing associations in London are reporting a 90% drop in social housing starts over the last year. There are also concerns that the cost to developers of the Building Safety Levy may further reduce the supply of affordable housing. MHCLG has not published an impact assessment of these policies on the viability of housebuilding, claiming both that it expects the impact to be small and that it is likely to be affected by too many other factors.

RECOMMENDATION

MHCLG should, by the end of 2025, publish a formal assessment of the impact of its remediation policies (including the Building Safety Levy) on housebuilding projections in both the social and private sectors and what action needs to be taken to ensure the building of 1.5 million homes is not affected by these policies.

1 Accelerating remediation

Introduction

1. On the basis of a report by the Comptroller and Auditor General, we took evidence from the Ministry for Housing, Communities & Local Government (MHCLG) and Homes England on remediating dangerous cladding.¹ We also heard evidence from the Home Builders' Federation, The National Housing Federation, the Local Government Association and the residents' representative group End Our Cladding Scandal.
2. Following the Grenfell Tower fire of June 2017, which resulted in 72 people losing their lives, MHCLG has led the government's support for remediating other residential buildings with unsafe cladding. MHCLG does not fix buildings directly but has introduced programmes to help fund, oversee and monitor cladding remediation undertaken by building owners and developers.² The previous Committee first reported on this work in 2020, when the scope of MHCLG's remediation programmes comprised of two schemes worth a total of £600 million, funding the replacement of aluminium composite material (ACM) cladding identified on over 450 buildings. It found that progress had been unacceptably slow and condemned the badly missed target to remove all ACM cladding from high-rise buildings by June 2020, warning it was imperative that MHCLG met its revised target to complete the work by the end of 2021.³
3. In 2023, MHCLG brought five separate remediation programmes into a single portfolio. The portfolio comprises two grant programmes for high-rise buildings: the ACM Programme and the Building Safety Fund (for non-ACM types of flammable cladding); the newer Cladding Safety Scheme launched by Homes England in 2023 which provides government grants for predominantly medium-rise remediation; and two programmes for monitoring self-remediation by social housing providers and developers.

1 C&AG's Report, [Dangerous cladding: government's remediation portfolio](#), Session 2024-25, HC 303, 4 November 2024

2 C&AG's Report, para 2

3 Committee of Public Accounts, [Progress in remediating dangerous cladding](#), Sixteenth Report of Session 2019-21, HC 406, 16 September 2020

The Developer Remediation Programme oversees remediation works by developers who have signed a contract taking responsibility for fixing buildings that they developed or refurbished in the 30 years to 4 April 2022.⁴

4. In February 2024, MHCLG estimated that the total cost of remediating dangerous cladding on all 9,000 to 12,000 buildings over 11 metres that may need it was between £12.6 and £22.4 billion (with a central estimate of £16.6 billion). It plans to keep taxpayer contributions capped at £5.1 billion and is relying on private owners, social housing providers and developers to pay for the remainder.⁵
5. In 2022, the Government reset its approach to building safety to adopt a more proportionate approach to assessing fire risk, to protect leaseholders from having to pay for remediation works, and to make the industries that profited from unsafe buildings help pay to fix them. Concerned that too many buildings were undergoing unnecessary and costly remediation work, MHCLG endorsed new guidance — PAS 9980 — for assessing the fire risk of external walls which took a more proportionate, risk-based approach to remediation and allowed for greater use of lower cost mitigations, such as sprinklers.⁶
6. Almost eight years on from Grenfell, as many as 7,000 unsafe buildings over 11 metres are still to be identified and work is yet to start on over half of the 5,000 buildings over 11 metres currently in MHCLG’s portfolio. In December 2024, MHCLG published a Remediation Acceleration Plan (the Plan) with its proposals for identifying remaining unsafe buildings, fixing buildings faster and better supporting residents.⁷

MHCLG’s Remediation Acceleration Plan

7. In its Remediation Acceleration Plan, MHCLG acknowledged that there were far too many residential buildings with unsafe cladding and that the speed at which this was being addressed was far too slow.⁸ At the time of our evidence session, nearly 8 years after the Grenfell disaster, 5,011 unsafe buildings taller than 11 metres in England had been identified and included in MHCLG’s remediation portfolio. Of these, remediation works had been completed on 29% and had yet to start on more than half. Of the 1,323 buildings in MHCLG’s high-rise programmes, almost one quarter were yet

4 Qq 5, 15; C&AG’s Report, para 7 and Figure 1

5 Qq 72, 90, 93, 118; C&AG’s Report, para 16

6 Q 52; C&AG’s Report, para 1.11

7 Qq 27, 45; C&AG’s Report, para 19; Ministry of Housing Communities and Local Government, Policy Paper: [Remediation Acceleration Plan](#), 2 December 2024

8 MHCLG Remediation Acceleration Plan

to begin work. A further 4,000–7,000 unsafe buildings, or up to 60% of the 9,000–12,000 buildings 11 metres and over that MHCLG estimates may need remediating, are yet to be identified.⁹

8. We asked MHCLG how its new plan would speed up the remediation process. MHCLG told us that its Ministers were committed to speeding up the pace of remediation. The Plan introduced a target that by the end of 2029 all buildings over 18 metres will have been remediated, and those between 11 and 18 metres will have been remediated, will have a date for completion, or owners will be liable for enforcement penalties. The target provides a means of assessing progress, as recommended by the NAO. However, 2029 is still 12 years on from the Grenfell fire and, as End Our Cladding Scandal pointed out, remediation works will only be completed for some buildings by then. MHCLG’s target did not set a date by which works on all 11–18 metre buildings should have started. The NAO found that MHCLG did not expect remediation works on some unsafe buildings to start until 2035.¹⁰
9. The Plan identified several barriers to remediating at pace and outlined the steps MHCLG was taking to address them. Some of these barriers are those MHCLG told the previous committee about in 2020, including landlord reluctance to come forward, limited supply chains of skilled workers needed for remediation and constrained regulatory capacity for enforcement. Others are newer, such as social housing provider capability and access to funding, developer inconsistency third-party disputes, and miserable resident experience.¹¹
10. Addressing some of these barriers will require legislative changes, for example, creating new obligations on landlords to remediate, and new enforcement powers for regulators to compel remediation or impose penalties. The Plan did not mention other barriers to pace highlighted by the NAO, such as the affordability of paying for defects that do not relate to cladding and are therefore ineligible for government funding.¹² MHCLG assured us that although it needed to legislate for some of the activity in the Plan, it had “not held back” from taking action where it could in the meantime, for example through a joint plan it had agreed with developers. MHCLG explained that the purpose of the Plan had been to emphasise and

9 Qq 27, 30-31, 34; Ministry of Housing, Communities and Local Government, [Building Safety Remediation: monthly data release - December 2024](#), 23 January 2025; C&AG’s Report, para 19

10 Qq 1, 30; C&AG’s Report, recommendation a, para 2.16; MHCLG Remediation Acceleration Plan

11 Committee of Public Accounts, [Progress in remediating dangerous cladding](#), Sixteenth Report of Session 2019-21, HC 406, 16 September 2020, paras 4 and 23; MHCLG Remediation Acceleration Plan

12 Qq 30, 39; MHCLG Remediation Acceleration Plan; C&AG’s Report, para 1.14

enforce remediation responsibilities, particularly on freeholders, who it said had often been the blocker to progress.¹³ We therefore asked if enforcement action would be taken in the next 12 months against uncooperative freeholders and developers. MHCLG told us that it had no power over regulators, but it was equipping them to take action. MHCLG told us that it was putting £33 million additional funding into enforcement. MHCLG also explained that it was legislating for backstop dates for remediation, to introduce more severe penalties for landlords who did not act, tighter assessment standards and more rigorous duties on building owners. We therefore asked MHCLG about its timetable for introducing this legislation. MHCLG explained that it could not give us a timetable as the decision about when to bring forward legislation was not its responsibility, but assured us that Ministers were keen to legislate as soon as a slot became available.¹⁴

11. MHCLG's Plan acknowledged that uncertainty around how many 11–18 metre buildings needed to be remediated meant that many residents were unsure about the safety of their homes and the timeline for getting them fixed.¹⁵ When asked what it was doing to identify remaining unsafe buildings, MHCLG said Homes England was investigating unique building records. Homes England explained that, in autumn 2024, it had started investigating around 220,000 unique records of four storey buildings to create a register of buildings over 11 metres. We heard that it would shortly start reviewing around half a million further unique records for three–storey buildings. Homes England told us that it was checking the height of these buildings, and their cladding materials using tools such as Google Earth, and that it was reviewing Land Registry data and leases to obtain ownership details. Homes England said it intended to complete its investigations by December 2025. Registration of all high–rise residential buildings was made mandatory under the Building Safety Act 2022, but MHCLG told us that mandatory registration for 11-18 metre buildings, as promised in its Plan, was contingent on legislation, for which timescales were uncertain.¹⁶
12. End Our Cladding Scandal (EOCS) told us it was not confident that MHCLG's Plan would deliver for residents. It explained that too many barriers and issues remained, that MHCLG's 2029 target was still five long years away and that it would only mean remediation was complete for some buildings–high rise buildings within the government's grant programmes. EOCS said the target date, without an indication of when all buildings will be made safe, was essentially meaningless. It also told us that there were

13 Qq 30, 37; Ministry of Housing, Communities and Local Government, [Joint plan to accelerate developer-led remediation and improve resident experience](#), Policy paper, published 2 December 2024

14 Qq 34, 36-37, 39; MHCLG Remediation Acceleration Plan

15 MHCLG Remediation Acceleration Plan

16 Qq 31, 40; MHCLG Remediation Acceleration Plan; C&AG's Report para 2.2

still too many issues that were not being addressed by the Government’s programmes, including non-qualifying leaseholders, shared ownership and buildings under 11 metres and that non-cladding fire safety defects were holding up remediation.¹⁷

13. In their written evidence to us, the National Fire Chiefs Council (NFCC) and The Property Institute also raised concerns about the exclusion of non-cladding defects from government funded programmes. The NFCC told us there was a “large proportion” of buildings needing temporary measures—such as waking watches—to ensure life safety for serious internal fire safety issues other than cladding, and it was unclear who would pay to remediate them.¹⁸ The Property Institute told us that the exclusion of non-cladding issues undermined the integrity of building safety standards, failed to protect resident communities and placed a heavy burden on property owners and leaseholders.¹⁹
14. We asked MHCLG about what it was doing to support residents with non-cladding defects. MHCLG told us that it was developing a new standard with the British Standards Institute to give the sector more certainty over what work needed to be done to address non-cladding issues. It told us that owner-occupiers were protected from the costs of non-cladding defects, but that freeholders may have to meet them.²⁰ Following the evidence session, EOCS wrote to us and reiterated situations where leaseholders were not protected.²¹ In written evidence, EOCS told us that non-cladding defects such as internal compartmentation, fire-stopping, fire doors or structural defects were defined as “life-critical” under the developer remediation contract and that costs to remediate them would be met by the developer. However, it told us that life-critical non-cladding defects were not within scope for buildings remediated through the government funded programmes, noting that the developer contract covered only 15–20% of all estimated buildings to be remediated.²² As the NAO’s report set out, where problems fall outside the scope of government programmes, costs may be passed on to leaseholders, who may be unable to afford them. The NAO’s report noted that the amount that could be charged to leaseholders was

17 Qq 1, 2

18 [RDC0099](#), Written evidence submitted by the National Fire Chiefs Council, 4 February 2025

19 [RDC0003](#), Written evidence submitted by The Property Institute, 4 February 2025

20 Q 46

21 [Letter from End Our Cladding Scandal to Chair, Committee of Public Accounts](#), 17 February 2025

22 Q 1; [RDC0145](#), Written evidence submitted by End Our Cladding Scandal, 4 February 2025

normally capped at £15,000 within Greater London and £10,000 elsewhere. EOCS told us in its letter that such costs were “life-changing” for most ordinary people, and they would not consider themselves “protected.”²³

15. Despite promises in 2022 of tough new measures to force industry to pay to remove cladding, MHCLG accepted that it has yet to find a way to secure a financial contribution from manufacturers. We observed that while developers were contributing to the costs of remediation, manufacturers of non-compliant products had yet to pay anything. MHCLG told us that the Grenfell Tower Inquiry had found “stomach-churning approaches to public safety” by manufacturers. We asked about its strategy for securing compensation payments from those product manufacturers. MHCLG told us that Ministers were disappointed that the sector had not come forward with funding and that it would be setting out its views on this matter in due course. MHCLG explained that the Building Safety Act allowed building owners, developers and leaseholders to make direct claims for compensation against manufacturers and suppliers of construction products.²⁴ Under the Act, manufacturers are liable to pay damages if, for example, their product is found to be inherently defective or if a misleading statement had been made in the supply or marketing of that product.²⁵

Skills and capacity to deliver accelerated remediation

16. In 2020, the previous Committee warned that shortages of specialist skills to support remediation would increase owing to an expected increase in the number of buildings included in the government’s remediation programmes. Following the creation of the Building Safety Fund in 2020, this rose from around 450 buildings with ACM cladding to include a further 1,700 estimated buildings with other types of cladding. As well as a shortage of skills and personnel needed to complete remediation works, the previous Committee heard evidence of a “chronic shortage of fire engineering and safety expertise”, both for enforcement and inspection of buildings with unsafe cladding.²⁶ Responding to the Committee, MHCLG said it had engaged with

23 Qq 1-2; [RDC0145](#), Written evidence submitted by End Our Cladding Scandal; [Letter from End Our Cladding Scandal to Chair, Committee of Public Accounts](#), 17 February 2025; C&AG’s Report, para 1.14

24 Qq 109-114; Ministry of Housing, Communities and Local Government, [Press release, Government to protect leaseholders with new laws to make industry pay for building safety](#), February 2022

25 Ministry of Housing Communities and Local Government, [Redress measures: information sheet](#), 18 October 2022

26 Committee of Public Accounts, [Progress in remediating dangerous cladding](#), Sixteenth Report of Session 2019-21, HC 406, 16 September 2020, paras 23-25

industry from the outset of the programme to ensure sufficient capacity exists, was aware of challenges with fire expertise and had a number of workstreams in train to address these issues.²⁷

17. The Home Builders Federation (HBF) told us that there remained a lack of skills within the industry, making it difficult to find qualified people to undertake remediation work. It explained that addressing this issue was challenging, but could, and was, being accelerated. We therefore asked MHCLG if it was confident that there were sufficient skills and capacity in the market to undertake remediation activity at the pace it was looking for. MHCLG assured us that it was something it monitored “extremely closely”, starting with the ability to access fire assessors, to creating capacity to ensure people can get access to assessments quickly.²⁸
18. The National Fire Chiefs Council (NFCC) told us that the PAS 9980 standard for assessing the fire safety risk of external walls relied on specialist knowledge of building construction, fire engineering principles and material performance. The NFCC warned that there was limited availability of qualified professionals, and that its members were concerned that current PAS 9980 assessments were not meeting the intended standard. We also heard concerns from End Our Cladding Scandal and the NFCC about the inconsistent quality of fire risk appraisals and different assessors drawing different conclusions about what remediation work was required. The NFCC also told us that some PAS 9980 assessments were unjustifiably supporting the retention of combustible materials.²⁹
19. The Home Builders Federation told us that it was concerned that a shortage of “Chartered Fire Engineers” was a barrier to speeding up developer self-remediation. MHCLG assured us that it did not currently see a shortfall of fire engineers, and that it had access to additional capacity that that could be used if needed, observing that some of its offer was currently underutilised. MHCLG said it had offered this capacity to developers to get buildings assessed quickly, but the HBF told us that only a third of assessors on the government’s panel were the most experienced, well-qualified engineers of the calibre its members chose to use.³⁰ Since we took

27 HM Treasury, [Government response to the Committee of Public Accounts on the Sixteenth report from Session 2019-21](#), CP 316, November 2020, page 14

28 Qq 18-19, 42

29 Qq 3, 20; [RDC0099](#), Written evidence submitted by the National Fire Chiefs Council; [RDC0145](#), Written evidence submitted by End Our Cladding Scandal

30 Q5, 15, 42; [RDC0006](#), Written evidence submitted by the Home Builders Federation, 4 February 2025

evidence, the Government, in its response to the Grenfell Tower Inquiry, has announced its intention to bring in mandatory competence requirements for fire risk assessors.³¹

20. We asked witnesses if the construction industry had the capacity to support the acceleration of remediation. The HBF told us acceleration was happening, but that it would be challenging. It outlined some of the challenges facing the sector, including an ageing construction workforce and Brexit, where stricter visa requirements have meant that some European builders have been unable to work in the UK. The Local Government Association (LGA) told us that developers, local councils and housing authorities were competing for the same limited pool of resources and that developers could probably outbid the others. MHCLG told us that it had not seen a shortfall in the capacity of the construction industry but said it was working closely with the Construction Leadership Council to provide modular training, for example, on façade engineering and cladding.³²
21. When buildings are stuck in the remediation process, regulators (local authorities, fire and rescue authorities, and the Building Safety Regulator—for higher-risk buildings³³) take enforcement action to get the process moving. MHCLG’s Plan recognised that constraints around the capacity of regulators was a barrier to the pace of remediation. It explained that in many areas, enforcement officers were too stretched, and expertise was too scarce when compared with the scale of the challenge.³⁴ The Local Government Association told us that local authorities’ enforcement work was facing issues of funding, skills, as well as a lack of clarity over the money available and the regulatory environment, which made it difficult for local authorities to plan. It explained that local authorities were trying to train Environmental Health Officers to undertake enforcement activity as quickly as possible, but said there was a risk of losing them to other parts of the construction sector. MHCLG told us that it had published additional guidance to help regulators to understand the enforcement tools that the Building Safety Act 2022 had made available and that it had put additional funding into enforcement.³⁵
22. We heard concerns about insufficient capacity and capability at the Building Safety Regulator (BSR), which oversees the safety and standards of buildings over 18 metres. The HBF told us that the BSR was continuing to hold up development, including self-remediation work, for buildings over 18 metres. In written evidence, the HBF reported that applications to the BSR

31 Ministry of Housing, Communities and Local Government, [Grenfell Tower Inquiry Phase 2 Report: Government response](#), 26 February 2025

32 Qq 19, 39, 42

33 Higher-risk buildings are residential buildings taller than 7 storeys or 18 metres.

34 MHCLG Remediation Acceleration Plan

35 Qq 22–23, 35

for building control approval, required before works can begin on site, were taking for to five times longer than the targeted 12 weeks.³⁶ When we asked about the reasons for these hold ups, the HBF acknowledged that while some applications were complex, there was a lack of qualified people in the BSR to do the work. The LGA explained that this was new work for the BSR, and the regulator was learning on the job. In written evidence, the National Federation of Roofing Contractors told us about examples of BSR inspectors not having fire-safety backgrounds, and an industry-wide shortage of cladding experts to fill BSR posts.³⁷

36 Q 15; [RDC0006](#), Written evidence submitted by the Home Builders Federation

37 Qq 17, 19; [RDC0092](#), Written evidence submitted by the National Federation of Roofing Contractors, 4 February 2025

2 Protecting residents

Improving the remediation experience for residents

- 23.** As many as 3 million people may have been affected by the cladding crisis. The NAO found that residents continue to suffer ongoing financial and emotional consequences. In its written evidence to us, End Our Cladding Scandal (EOCS) told us that the lives of thousands of ordinary people had been drastically altered through no fault of their own. It noted that everyone deserves a safe home in which to live, work, care for their families and make plans for their future, but that “hundreds of thousands of people remain trapped in unsafe and unsellable flats, fighting years-long attritional battles just to know when their home will be made safe and whether it will bankrupt them”. It also told us that the PAS 9980 approach resulted in a range of issues, including “endless delays” to work starting due to disputes over the scope of the work and what constituted tolerable risk.³⁸
- 24.** MHCLG’s Remediation Acceleration Plan (the Plan) commits to publishing guidance to help where disputes between parties are delaying remediation. However, in written evidence, the Home Builders’ Federation (HBF) noted that MHCLG made this commitment over 18 months ago and it was yet to be delivered.³⁹ MHCLG described how it had tried to resolve disputes in the meantime, undertaking its own assessments of the scope of work required and brokering arrangements both sides will accept. However, it noted that where disagreements persist it remained reliant on existing enforcement routes.⁴⁰ The National Fire Chiefs Council (NFCC) warned how existing enforcement and litigation can hinder rather than speed up the pace of remediation. The National Housing Federation (NHF) similarly described an example where litigation on a disputed building will not reach court until 2026 despite residents having been evacuated from the building as long ago as 2019.⁴¹

38 C&AG’s Report, para 1.6; [RDC0145](#), Written evidence submitted by End Our Cladding Scandal

39 [RDC0006](#), Written evidence submitted by the Home Builders Federation; MHCLG Remediation Acceleration Plan

40 Qq 48, 49

41 Q 21; [RDC0099](#), Written evidence submitted by the National Fire Chiefs Council

- 25.** In 2020 the previous Committee noted that many residents were not being kept informed about the process of remediation and requested that MHCLG set out how it would improve transparency.⁴² We therefore asked whether government was now doing enough to help residents whose lives felt on hold while they waited to find out if their buildings needed remediation, and if so when it might happen. Homes England said it was working on “various routes” to enable this. It told us that its ‘Tell Us’ tool allowed residents to ask if their buildings are being investigated by the Cladding Safety Scheme and receive confirmation back within 48 hours. It said it was also working to open up the Cladding Safety Scheme database to local authorities and local fire and rescue services and was piloting this with Greater Manchester Fire and Rescue Service but had yet to explore options for sharing data with the public.⁴³ We asked whether there was more it could do to publicise the ‘Tell Us’ tool in order to raise awareness and provide reassurance to residents. Homes England agreed and said it also had work underway with local authorities and that it hoped that the implementation of local remediation acceleration plans, as outlined in the Plan, would help raise awareness of some of its tools and give them some local exposure.⁴⁴
- 26.** In 2023, MHCLG launched a Code of Practice to support improved communications during remediation. The HBF and the NHF told us that developers and social housing providers had agreed to follow the code. EOCS told us the code was “a long time coming” and had been heavily revised at the last minute. It told us that information on routes to recourse—where residents can go if the contractor is not doing what they need to on-site—had been taken out. EOCS told us due care was not always given to safety on building sites during remediation works and said that the fire on a construction site in Dagenham in August 2024 had been the first serious demonstration of the risks to residents when there is not enough care about safety. EOCS described inconsistent practice of the code, no real oversight, queried whether it was mandatory or advisory and highlighted a lack of awareness of the code among people they speak to.⁴⁵
- 27.** MHCLG’s Plan commits to driving compliance with the Code of Practice to ensure residents are kept informed throughout the remediation process and disruption from works on site is minimised.⁴⁶ Homes England told us that communication with residents was far more embedded in its Cladding Safety Scheme, which requires evidence of good quality communication from those responsible for remediation before it releases funds at each

42 Committee of Public Accounts, [Progress in remediating dangerous cladding](#), Sixteenth Report of Session 2019-21, HC 406, 16 September 2020, recommendation 3

43 Q 32

44 Q 33; MHCLG Remediation Acceleration Plan

45 Qq 7–9, 12; C&AG’s Report, para 2.14

46 MHCLG Remediation Acceleration Plan

stage of the process. Homes England said it also required applicants to conduct a survey of residents every four months while on site. It was too early to judge the effectiveness of these measures as the Cladding Safety Scheme only had 53 buildings start the remediation process by December 2024.⁴⁷

Tackling insurance costs

- 28.** In 2020 the previous Committee concluded that MHCLG had not done enough to address spiralling insurance costs affecting leaseholders and ‘nil’ mortgage valuations. It found that private leaseholders in blocks with dangerous cladding had received ‘nil’ valuations for their properties, meaning they had found it impossible to sell or remortgage, while their insurance premiums had risen over 400% in some cases. At the time of its evidence session, MHCLG told the Committee that this was an ‘industry issue’, but in the Committee’s view MHCLG needed to step up and ensure matters were resolved quickly. It recommended that MHCLG should ensure that leaseholders were not facing escalating insurance premiums and MHCLG committed to working with insurers to address these concerns.⁴⁸
- 29.** The Home Builders Federation (HBF) raised concerns that insurance companies were seeking to profit from the building safety crisis. The Shared Owners Network similarly wrote that many shared owners were struggling to pay housing-related costs such as insurance. End Our Cladding Scandal (EOCS) raised exorbitant insurance as one of the many costs that risked putting residents “at risk of life-changing debt or forfeiture”.⁴⁹ MHCLG’s Plan acknowledged that as well as needing to find thousands of pounds to pay for insurance, high insurance can make it difficult for people to sell their properties. We asked what efforts had been made to discuss the issue with insurance companies. MHCLG recognised that this was “a very serious problem”. It told us that it had asked the Financial Conduct Authority to undertake research into the high-rise buildings market in 2022. This found that the price of insurance premiums in high-rise buildings had doubled between 2016 and 2021. In its plan, MHCLG noted and that some individuals were facing annual bills of over £3,000.⁵⁰

47 Q 117; MHCLG, [Building Safety Remediation: monthly data release - December 2024](#), 23 January 2025

48 Committee of Public Accounts, [Progress in remediating dangerous cladding](#), Sixteenth Report of Session 2019-21, HC 406, 16 September 2020, recommendation 4

49 [RDC0006](#), Written evidence submitted by the Home Builders Federation; [RDC0143](#), Written evidence submitted by the Shared Owners’ Network; [RDC0145](#), Written evidence submitted by End Our Cladding Scandal

50 Q 50; Financial Conduct Authority, [Report on insurance for multi-occupancy buildings](#), September 2022 para 1.16; MHCLG Remediation Acceleration Plan

- 30.** MHCLG told us that it was bringing forward statutory changes to ban insurance brokers from paying commissions to freeholders and managing agents, and capping what freeholders can charge leaseholders for arranging insurance.⁵¹ MHCLG told us that the risk-pooling arrangements it had brokered with the insurance industry to reduce rates had not yet had the impact it hoped on reducing the most extreme premiums. It recognised that “while dents have been made”, the problem of high insurance premiums was not yet resolved and there was more it could do. In its Plan, MHCLG said it was considering whether, for the duration of its remediation programmes, government might support the industry to reduce “unaffordably high” insurance bills.⁵²
- 31.** MHCLG told us that, as well as options for intervening in the market to reduce premiums while buildings are awaiting remediation, it expected the insurance industry to hold to its word in reducing premiums as risk is reduced. It said it would monitor if premiums were falling as buildings remediated through the PAS 9980 standard came through the process. However, the Association of British Insurers (ABI) indicated that without significant changes to the government’s remediation approach, premiums may remain high even after remediation.⁵³ The PAS 9980 standard takes a more proportionate approach to remediation that prioritises risk to life and not risk to the building. This approach calls for greater use of lower cost mitigations such as sprinklers and in some cases, where the risk to life is deemed low or ‘tolerable’, it can mean some flammable material staying in place.⁵⁴
- 32.** In written evidence, the ABI called on government to adopt an approach that priorities property protection and building resilience alongside risk to life. It said that without a standard requiring the removal of combustible material in external walls (insulation and cladding), the risk of significant fire spread would remain after remediation and there would be a limited impact on insurance premiums. MHCLG told us that there was a balance to be struck between paying for remediation that removes all risk or taking a proportionate approach around the right amount of work to do.⁵⁵

51 Q 50; C&AG’s Report para 2.20

52 Qq 19, 50–51; MHCLG Remediation Acceleration Plan

53 Q 51; [RDC0138](#) Written evidence submitted by the Association of British Insurers, 4 February 2025

54 C&AG’s Report, para 1.11

55 Q 52; [RDC0138](#), Written evidence submitted by the Association of British Insurers, 4 February 2025

3 Ensuring value for money

Managing uncertain costs and timescales

- 33.** Almost eight years on from the Grenfell Tower fire, MHCLG’s latest estimate, in February 2024, was that there were between 9,000 and 12,000 residential buildings in England taller than 11 metres that will need remediating. Based on this modelling, MHCLG estimated that it would cost the Government, developers and building owners (including social housing providers) between £12.6 billion and £22.4 billion to complete the works. The NAO reported in November 2024 that MHCLG intended to refresh its model every six months. But at the time of our evidence session MHCLG had not yet published any further estimates. MHCLG told us it was keen to narrow the range down and that it hoped to publish updates over the course of this year.⁵⁶
- 34.** Under the PAS 9980 methodology, competent professionals conduct Fire Risk Appraisals of External Walls (FRAEWs) in which they make conclusions about the risk to life posed by a building’s cladding and make proposals about remedial measures to reduce the level of risk to ‘tolerable’,⁵⁷ The National Fire Chiefs Council (NFCC) told us that the PAS 9980 assessments were resulting in different conclusions according to the individual conducting the assessment, and often conclusions that differed from the wider ‘Fire Risk Assessments’ that they were meant to inform.⁵⁸ End Our Cladding Scandal (EOCS) told us in written evidence that three years after PAS9980 was introduced, huge inconsistency in the quality of FRAEWs, was causing “endless delays” over work starting due to disputes over the scope of works. At our evidence session, EOCS told us if 15 different fire engineers were to conduct a FRAEW, they would come up with 15 different opinions.⁵⁹
- 35.** In December 2024, MHCLG published remediation cost information per square metre for high-rise buildings over 18 metres in the Building Safety Fund with a view to helping building owners understand the expected

56 Qq 31, 93, 93, 118; CA&G’s Report paras 13, 3.1, Appendix One

57 Ministry of Housing, Communities & Local Government, [Annex A: Technical guidance for applicants of building safety funding applying for funding via PAS 9980: 2022](#), updated 2 April 2024

58 [RDC0099](#) Written evidence submitted by the National Fire Chiefs Council

59 Q 3; [RDC0145](#) Written evidence submitted by End Our Cladding Scandal

range of costs for remediation and provide greater transparency to the public. MHCLG reported that the expected costs should range from £739 to £2,528 per m². For most of the buildings in this dataset, remediation works had been agreed under the more risk-averse standard that pre-dated PAS 9980. Remediation costs had therefore, in most cases, included the removal and replacement of unsafe cladding. The proportionate approach to remediation that MHCLG adopted in 2022, and the PAS 9980 standard that supports it, favour lower cost mitigation measures such as sprinklers where risk to life is deemed tolerable. MHCLG therefore expected unit costs to change as more buildings are assessed under the newer standard.⁶⁰

36. In written evidence, the Home Builders' Federation (HBF) was very sceptical about the basis of MHCLG's estimates of building numbers and the lack of any updates. It told us that MHCLG's estimate of the likely number of buildings in need of remediation was based on assumptions that were "long outdated and highly questionable". EOCS also highlighted the importance of collating data on the remaining buildings in need of remediation, without which it described MHCLG's Remediation Acceleration Plan as "a plan to make a plan."⁶¹
37. Based on its central estimate of £16.6 billion for total remediation costs, MHCLG anticipated that around £7.5 billion would be paid for directly by private building owners, developers and social housing providers, and the remaining £9.1 billion would be funded through MHCLG's grant programmes. MHCLG planned to cap the amount of public money spent on remediation at £5.1 billion, and to recoup any spending over this amount from developers through a new Building Safety Levy (the Levy) on new developments. MHCLG told us it was keen to reduce the uncertainty around building numbers and how much will need to be paid out through government grant programmes but explained that the duration of the Levy could be changed as needed to ensure it covered the final bill.⁶²
38. HM Treasury has agreed to provide short-term funding that would allow remediation to progress in advance of the Levy recouping funds in later years. Based on MHCLG's financial planning, the NAO highlighted that total taxpayer exposure could reach a maximum of £6.3 billion in 2030-31 before all Levy receipts are collected.⁶³ When we asked MHCLG what impact its acceleration plans might have on the spending cap, MHCLG assured us that taxpayer contributions towards remediation costs would remain capped at

60 C&AG's Report, para 1.11; Ministry of Housing, Communities and Local Government, [Cladding remediation unit costs: analysis of high-rise non-ACM buildings - GOV.UK](#), December 2024

61 [RDC0006](#) Written evidence submitted by the Home Builders Federation; [RDC0145](#) Written evidence submitted by End Our Cladding Scandal

62 Qq 88, 91, 93-96; C&AG's Report, figure 10, para 3.11

63 C&AG's Report, paras 16, 3.12

£5.1 billion. We therefore asked MHCLG whether accelerating remediation might increase taxpayer exposure, but officials did not provide an update on the figure. In a letter following the evidence session, MHCLG advised that its figures were estimates based on several factors including the total number of buildings requiring remediation, remediation costs, how fast buildings are fixed, and the quantum of levy receipts (which itself depends on new houses built). It assured us it continued to examine these and would be updating forecasts later in the year.⁶⁴

Managing risk of fraud

- 39.** The NAO report found that previous attempts by MHCLG to accelerate remediation resulted in it relaxing some of its safeguards and the taxpayer being exposed to an increased risk of fraud. This included moving from making payments in arrears to making up-front payments of between 30% and 80%.⁶⁵ We asked MHCLG whether it should have been obvious that relaxing funding criteria as dramatically as it did in 2020 would lead to increased fraud, noting that one potential loss of over £500,000 had already been identified. MHCLG told us that the priority for the early schemes had been to get funding out as quickly. It stressed that the system was never without checks at all, and that there were, for example, checks by experts around the scope of the work. It explained that it had made a series of changes over the last few years in response to a fraud risk assessment by the Government Internal Audit Agency, including benchmarking costs and a reduction in single-tender actions.⁶⁶
- 40.** The NAO report also highlighted how MHCLG was late to produce a full fraud risk assessment on the Building Safety Fund, only completing one in 2023. It also found that MHCLG had assured the NAO that it had undertaken some counter-fraud work in the interim, but “could not provide documented evidence of the work undertaken.”⁶⁷ We asked MHCLG what counter-fraud work it had undertaken and how we could be assured that it had taken place if it could not provide evidence of it. MHCLG said that access to those records had been “significantly affected” by the unexpected loss of a team member who had sadly died. We were sorry to hear this but asked why the evidence could not be retrieved. MHCLG was unable to offer any further information or assurances beyond telling us work had not been centralised as it would be for other schemes.⁶⁸ Responding to our concerns that information could be lost in this way, MHCLG accepted that record keeping

64 Qq 90, 93; [Letter from Ministry of Housing, Communities and Local Government to Committee of Public Accounts](#), 18 February 2025

65 Q 75; C&AG’s Report, paras 3.4, 3.7

66 Qq 75, 80

67 C&AG’s Report, paras 3.8

68 Qq 76-78

had not worked in that instance. It wrote to us after our evidence session to tell us that it did not consider these gaps in record retention to be indicative of wider issues, and that it had not seen any other incidents of this type and so considered it to be a one-off in a rare set of circumstances.⁶⁹

41. MHCLG told us how the design of Homes England's Cladding Safety Scheme would help reduce fraud in future. It explained that the new scheme captures information centrally, rather than relying on one team to pull together more disparate sources of intelligence. The Cladding Safety Scheme has also restored the practice of payment in arrears. MHCLG wrote to us after the hearing and provided further information on ways in which it is improving fraud prevention and detection on the Building Safety Fund, including increased counter fraud training and stronger fraud referral and investigation processes. MHCLG also told us it was working with the Public Sector Fraud Authority to keep its fraud risk assessments under review. MHCLG also confirmed that, in response to the NAO's recommendation, it had started a feasibility study for a fraud measurement exercise.⁷⁰

Managing impact of remediation on other housing priorities

42. The National Housing Federation (NHF) told us that the government's approach to funding remediation for non-ACM cladding allocated public funding in a way that prioritised tenure over risk. It said that the arrangements meant that, in reality, 90% of public funding for remediating non-ACM type cladding had gone to private building owners and only 10% to social landlords.⁷¹ When the previous Committee last looked at this issue, MHCLG had announced (in May 2018) that it would make £400 million available to social providers to fund the removal of Grenfell-style Aluminium Composite Material cladding from buildings over 18 metres.⁷² MHCLG told us that a little under £570 million had gone into social housing through the different government schemes. In November 2024, the NAO reported that MHCLG expected social providers to fund an estimated £3.8 billion of remediation costs for their buildings and that it had set a high threshold for

69 Q 82; [Letter from Ministry of Housing, Communities and Local Government to Committee of Public Accounts](#), 18 February 2025

70 Qq 75, 78-79; C&AG's Report, paras 3.10; [Letter from Ministry of Housing, Communities and Local Government to Committee of Public Accounts](#), 18 February 2025

71 Q 21

72 Committee of Public Accounts, [Progress in remediating dangerous cladding](#), Sixteenth Report of Session 2019-21, HC 406, 16 September 2020

access to government funding. The NHF told us that equal access to funding with the private sector would be a real factor in unlocking pace for the social housing sector.⁷³

43. The Government has pledged to build 1.5 million homes during this Parliament and expects social housing to be at the heart of the UKs' housing supply. Against a backdrop of the construction sector reporting workforce shortages (paragraph 20), we asked the NHF how the government's approach to remediation in the social housing sector was likely to impact the number of social sector homes being developed.⁷⁴ In both written and oral evidence, the NHF told us that to pay for cladding remediation, housing associations were having to divert funding from building new homes. The NHF told us that the impact in London had been "catastrophic" where, it said, despite facing the greatest housing pressures across the country, affordable housing starts had fallen by 90% last year. It also told us that there were adverse effects on the government's ability to meet its target for 1.5 million new homes, but also on the cost of temporary accommodation and on homelessness. It told us that if the £3.8 billion that social housing providers were expected to spend on remediating existing buildings were instead to be invested in developing new homes, it could result in an additional 76,000 new homes being built.⁷⁵
44. We asked MHCLG about its understanding of the impact that £3.8 billion of self-remediation costs might have on social sector housebuilding, and whether it had undertaken any assessment of how many houses would not be built because money was being spent on remediation. MHCLG told us that it was "certainly the case" that social housing providers were having to balance a range of obligations. We therefore asked if it was reasonable to conclude that when local authorities were deciding whether and when to complete remediation works, they were having to cut back on their commitments on new homes. MHCLG accepted that where a social housing provider was spending money on one type of activity, it would not be able to spend money on another type of activity. It told us that this was one of the reasons why Ministers planned to take stock of the overall position of the sector ahead of a strategy in the spring.⁷⁶ MHCLG wrote to us after our evidence session to tell us about its response to the Grenfell Tower Inquiry Phase 2 report, and that it was taking forward an "ambitious programme of social housing reform" to change how residents' voices are heard and acted on, to "keep people at the heart of policy and practice."⁷⁷

73 Qq 21,60, 62; C&AG's Report, para 3.11

74 Qq 28, 64

75 Q 28; [Letter from National Housing Federation to Committee of Public Accounts](#), 11 February 2025

76 Qq 62-64, 74

77 [Letter from Ministry of Housing, Communities and Local Government to Committee of Public Accounts](#), 18 February 2025

45. In its written evidence to us, the Home Builders Federation (HBF), which represents the home building industry, told us of its concerns about the possible impact of the Building Safety Levy on new housing delivery. MHCLG currently expects to raise £3.4 billion over 10 years from the new levy. The HBF noted that, in the absence of detailed levy rates, which it did not expect to be published until later in 2025, it anticipated that there would be an impact on the supply of new homes, especially affordable housing and especially in the south-east of England. The HBF also told us that it was concerned that many smaller developers will go out of business as a result of the financial burden being placed on the home building industry.⁷⁸
46. We asked MHCLG about the potential impacts of the Building Safety Levy on housing provision. MHCLG said it had not published any impact assessment or produced specific numbers, but believed the impact would be relatively small. It told us that it had deliberately designed the Levy to take into account factors to protect housing supply. It explained that Levy design features, such as discounted rates for brownfield sites and exemptions for affordable housing, would protect viability and minimise the impact of the Levy on building supply.⁷⁹ In a follow up letter, MHCLG told us that it thought that multiple factors will affect the number of houses developers are able to build including finance, land prices, labour and materials costs.⁸⁰

78 Q 5; C&AG's Report, para 3.11; [RDC0006](#) Written evidence submitted by the Home Builders Federation

79 Qq 97–99

80 [Letter from Ministry of Housing, Communities and Local Government to Committee of Public Accounts](#), 18 February 2025

Formal minutes

Monday 17 March 2025

Members present

Sir Geoffrey Clifton-Brown, in the Chair

Mr Clive Betts

Nesil Caliskan

Anna Dixon

Rachel Gilmour

Sarah Olney

Rebecca Paul

Declaration of interests

The following declarations of interest relating to the inquiry were made:

3 February 2025

The Chair declared the following interest: chartered surveyor.

Clive Betts declared the following interest: Vice-President of the Local Government Association.

Nesil Caliskan declared the following interest: Vice-President of the Local Government Association and former council leader.

The Remediation of Dangerous Cladding

Draft Report (*The remediation of dangerous cladding*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 46 read and agreed to.

Summary agreed to.

Introduction agreed to.

Conclusions and recommendations agreed to.

Resolved, That the Report be the Seventeenth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available (Standing Order No. 134).

Adjournment

Adjourned till Thursday 20 March at 9.30 a.m.

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Monday 3 February 2025

David O'Leary, Executive Director, Home Builders Federation;
Rhys Moore, Executive Director of Public Impact, National Housing Federation; **Councillor Adam Hug**, Chair of Local Infrastructure and Net Zero Board, Local Government Association, Leader, Westminster Council;
Giles Grover, Co-Lead, End Our Cladding Scandal [Q1-121](#)

Sarah Healey CB CVO, Permanent Secretary, MHCLG;
Ben Llewelyn, Director for Remediation policy, MHCLG;
Richard Goodman, Director General, Safer Greener Buildings and SRO remediation portfolio, MHCLG; **Helen Fisher**, Programme Director, Cladding Safety Scheme, Homes England [Q1-121](#)

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

RDC numbers are generated by the evidence processing system and so may not be complete.

1	Chartered Institute of Housing	RDC0004
2	End Our Cladding Scandal	RDC0145
3	Home Builders Federation	RDC0006
4	National Federation of Roofing Contractors	RDC0092
5	National Fire Chiefs Council	RDC0099
6	National Housing Federation	RDC0096
7	Paffey, Mr Darren (Member of Parliament, House of Commons)	RDC0107
8	Shared Owners' Network	RDC0143
9	The All-Party Parliamentary Group (Fire Safety & Rescue)	RDC0146
10	The Association of British Insurers (ABI)	RDC0138
11	The London Fire Brigade	RDC0144
12	The Property Institute	RDC0003
13	buildingsafetyscheme.org	RDC0051

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website.

Session 2024–25

Number	Title	Reference
16th	Whole of Government Accounts 2022/23	HC 367
15th	Prison estate capacity	HC 366
14th	Public charge points for electric vehicles	HC 512
13th	Improving educational outcomes for disadvantaged children	HC 365
12th	Crown Court backlogs	HC 348
11th	Excess votes 2023-24	HC 719
10th	HS2: Update following the Northern leg cancellation	HC 357
9th	Tax evasion in the retail sector	HC 355
8th	Carbon Capture, Usage and Storage	HC 351
7th	Asylum accommodation: Home Office acquisition of former HMP Northeye	HC 361
6th	DWP Customer Service and Accounts 2023-24	HC 354
5th	NHS financial sustainability	HC 350
4th	Tackling homelessness	HC 352
3rd	HMRC Customer Service and Accounts	HC 347
2nd	Condition and maintenance of Local Roads in England	HC 349
1st	Support for children and young people with special educational needs	HC 353