



Ministry of Housing,  
Communities &  
Local Government

Meg Hillier  
Chair, Committee of Public Accounts  
**By email**

**Jeremy Pocklington CB**  
Permanent Secretary

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Dear Meg,

In our response to the Public Accounts Committee's 16<sup>th</sup> Report of Session 2019-2021 'Progress in remediating dangerous cladding', and in the Treasury Minutes Progress Report published on 12<sup>th</sup> May 2021, MHCLG undertook to implement recommendation 1(a) in the spring of 2021 and recommendation 5 in May 2021.

This letter outlines the department's progress on implementing these two recommendations.

In addition, whilst the department disagreed with recommendation 3, we offered to provide the Committee with an update on the data collection of external wall systems of 11-18 metres high residential buildings. On this point, I can confirm that MHCLG has begun a pilot data collection project for 11-18m residential buildings to identify materials in use and to inform the design of a wider national 11-18m data collection exercise. This data is currently being collected and processed.

### **Building Safety Regulator – enforcement action against building owners**

Recommendation 1(a) of your report requested that the department should work with the new Building Safety Regulator and begin vigorous enforcement action against any building owners whose remediation projects are not on track to complete by the end of 2021.

As stated in our previous exchanges, whilst the Building Safety Regulator has been established in shadow form within the Health and Safety Executive (HSE), it does not yet have enforcement powers, which are subject to the Building Safety Bill gaining Royal Assent. HSE does, of course, have wider enforcement powers in relation to health and safety at work, which it continues to exercise to ensure that remediation

work is carried out safely for both workers and residents. For example, ensuring that combustible materials are well managed, removed and stored away from the building, or that scaffold netting is to the correct (fire retardant) standard.

The department continues to support existing regulators (that is, local authorities and fire and rescue services) in using their existing enforcement powers, whenever appropriate, to ensure that building owners remediate their buildings as quickly as possible. This includes through funding of the Joint Inspection Team, which currently provides expert advice and support to local authorities, both to inspect buildings with unsafe ACM cladding and to take enforcement action where needed.

As of the end of April 2021, enforcement action has been, or is being, taken by local authorities and fire and rescue services against at least 61 buildings with unsafe ACM cladding, of which 22 have received Joint Inspection Team support. Building on this, the department is extending the remit of the team so that it can also work with local authorities in taking enforcement action against high-rise residential buildings with unsafe non-ACM cladding.

The Minister for Building Safety, alongside senior local authority and regional leaders, continues to meet with building owners to urge them to prioritise the remediation of unsafe cladding. Where building owners fail to act, the department remains committed to updating a published list of corporate entities responsible for the remediation of unsafe ACM cladding where remediation works have yet to start on at least one of their buildings.

Due to the actions of the department and its partners, at the end of April 2021, 92 per cent of all identified high-rise residential and publicly owned buildings in England (433 buildings) had either completed or started remediation work to remove and replace unsafe ACM cladding. By the end of 2021, it is currently estimated that 84 per cent of identified buildings will have completed remediation. This estimate is based on information provided by building owners and agents and is expected to change as further information is received.

The Building Safety Bill, which was announced in the Queen's speech, and Fire Safety Act, which obtained Royal Assent on 29 April, will together strengthen the powers of regulators to take enforcement actions against those who fail to fulfil their legal responsibilities to ensure that buildings are safe.

### **External Wall Fire Review Process**

Recommendation 5 of your report requested assurances and written confirmation from the department within three months that cross-sector work to resolve issues with the External Wall Fire Review process were operating effectively. The department's letter to the committee of [22 December 2020](#) provided such reassurance and outlined the

steps we had taken. The Treasury Minutes Progress Report published on 12 May 2021 provided a further update on this recommendation. Since then, the department working with industry has continued to drive forward this work.

### Training for External Wall Assessors

In November 2020, the department announced nearly £700,000 in funding for the Royal Institution of Chartered Surveyors (RICS) to train up to 2000 more assessors, to help speed up the valuation process for homeowners in cases where an EWS1 form is required. The training started in January of this year with over 850 candidates now on the course

### RICS Guidance

We have also supported RICS to improve its guidance on the appropriate use of EWS1 forms. Most lenders, representing roughly 80 per cent of the mortgage market, have said they support the guidance or take a less risk averse approach, and do not ask for an EWS1. This is good news for the consumer because it means the approach is broadly consistent and we estimate nearly 500,000 leaseholders should no longer need an EWS1 form – helping homeowners to sell more quickly.

However, we have noted that the positions taken by the lenders are not always easily accessible for the consumer. The department has therefore asked lenders and trade bodies to make their policy on EWS1 public and in terms understandable to the lay-reader.

We are also pressing lenders and trade bodies on the proportion of mortgage applications which need an EWS1– and asking them to report this data over time and by flat height. We expect this to reflect the progress we know has been made by the sector, as well as the approaches taken by lenders over time. Data received from one major lender, covering September to March, suggests that an EWS1 form already existed for 50 per cent of the mortgage applications where one was required. We will continue to work with the sector to ensure this improves further.

### British Standards Institute Code of Practice

To further support professionals undertaking external wall assessments – either as part of a mortgage valuation or a fire risk assessment, the government has commissioned the British Standards Institution (BSI) to draft a new code of practice – Publicly Available Specification (PAS) 9980 - for assessors to follow. This will ensure external wall assessments – whether for valuations (EWS1) or for fire risk assessments - are carried out to a high and consistent standard. This is subject to a robust development process and is out for consultation until 20 May. We expect publication to be in Autumn 2021.

By setting clear and specific methodologies for professionals to follow, the PAS standard will promote best practice in assessments and help ensure that they are consistent in outcome. RICS is part of the steering group to ensure their training (mentioned above) reflects the developing code of practice.

#### Professional Indemnity Insurance

We are aware that securing appropriate professional indemnity insurance to cover the completion of EWS1 forms is a major barrier to increasing the number of assessors. That is why we announced a government-backed indemnity scheme for qualified professionals unable to obtain professional indemnity insurance for the completion of EWS1 forms. We are working closely with the industry to design this product which will increase the availability of competent assessors for EWS1 forms and so improve access to lending decisions for leaseholders. Work is at an advanced stage and we are currently seeking HMT approval for the liabilities associated with the scheme. As and when approval is granted, we will look to update parliament and subsequently to commercialise our proposals.

#### Buildings insurance

Finally, we know that some leaseholders are facing significant increases in building insurance premiums for some blocks with building safety concerns. We are working closely with insurers and industry bodies to address this issue. The Secretary of State and the Economic Secretary recently met with senior representatives from the largest insurance companies and encouraged them to adopt a proportionate approach and identify market solutions. We know that Aviva have already stepped into this market, and that others are considering a similar course of action.

Yours sincerely

A handwritten signature in black ink that reads "Jeremy Pocklington". The signature is written in a cursive, flowing style.

**JEREMY POCKLINGTON**