

Rt Hon Michael Gove MP  
Secretary of State  
Department for Levelling Up, Housing & Communities

11 March 2022

Dear Michael,

Thank you for your letter of 7 March following our proposal on behalf of HBF members to go further in their programmes of self-remediation in exchange for assurances from Government on the effective implementation of sensible building safety assessments and a clearer understanding of how DLUHC has reached its key estimates of costs.

While I understand that the proposal falls short of an open-ended commitment by UK home builders to fund the necessary remediation of all 11m+ buildings you will appreciate that we have strong reservations as to the fairness of any solution that leaves many responsible parties entirely out of scope.

Our starting position, echoing the words of the Building Safety Minister in the House of Lords, has been to consider the principle that 'the polluter must pay'. You will be aware that the overarching developer of a building cannot reasonably be considered the only 'polluter' in the complex ecosystem of building regulation, product supply and building design and construction. This clearly risks leaving many other 'polluters' free of making any payment whatsoever, including large London-based land and property interests, foreign developers, freeholders and product manufacturers while impacting investment appetite among UK home builders responsible for delivering the vast majority of the new homes.

However, time is of the essence and in the absence of Government directly forcing other actors to contribute in the way UK home builders will shortly be doing via the Residential Property Developer Tax, our members will continue to engage constructively to try and reach a satisfactory outcome for affected leaseholders.

We believe we could make progress towards a fair solution much more rapidly if Government were able to help us in two areas on which Government intervention or support is crucial:

1. Proportionate approaches to building safety

I am enclosing a copy of a letter from HBF, the British Property Federation and the Housing Forum, sent today to DLUHC Director-General, Richard Goodman, which sets out our members' concerns about the lack of implementation of a proportionate approach to building safety assessments. We welcomed your announcement on 10 January that previous Government guidance via the Consolidated Advice Note (CAN) would be withdrawn to be replaced by the re-adoption of a 'common-sense' approach. However, the continuation of EWS1 processes alongside the more sensible PAS 9980 guidance means that in terms of mortgageability, the latest Government guidance will still be overshadowed by the previous flawed guidance and leaseholders will be in no better a position than they already were. I note, too, that the Levelling Up Select Committee has also echoed these concerns.



My colleagues will be working hard with your officials to help resolve this, but I should caution that HBF and its members are unable to effect change on this matter without your support. Building assessors, surveyors and lenders are crucial to these discussions. For as long as they resist requests from Government to fully implement on a practical basis the 'common-sense' guidance your Department has now subscribed to, agreeing broad terms and finalising scopes of works will be very challenging.

2. Understanding the scale and source of the problem

The Government's estimates of the number of 11-18m buildings in need of remediation – and the amount of funding needed to remediate them is based on a desktop exercise conducted by consultants. We have raised doubts about the accuracy of these estimates and the assumptions that underpin them and believe the estimate of £4bn may be significantly overstated.

To help provide a realistic picture of actual rather than theoretical buildings, our members supported your Department's collection of data from UK home builders which concluded around a month ago. This data will give us all a good understanding of the number of buildings of 11-18m with remediation requirements that have been built in recent decades by established UK home builders. We understood that aggregated results of this exercise would be shared with the industry, but we are yet to see this. To assist, HBF is close to completing a similar data collection exercise with a different but larger pool of UK home builders. I would be happy to share details of our findings in the next week or so and hope DLUHC will offer the same transparency, particularly with regards to the age and developer of buildings that are considered to be in need of remediation.

UK home builders are being asked to 'fully fund' the fixing of a problem overwhelmingly caused by other actors and it thus seems reasonable to be given a better picture of the scale of buildings involved and who built them. Our emerging findings in this regard are interesting but it would be helpful to establish how they compare to your understanding of the issue.

I would welcome the opportunity to discuss these matters with you in the coming days.

*Assuming you of my best endeavours to find an amicable, fair  
& proportionate way forward*

*Best regards*

**Stewart Baseley**  
Executive Chairman

