

Petition: Protect leaseholders in Wales from paying for cladding remedial works

Y Pwyllgor Deisebau | 26 Ionawr 2020
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Petition title: Protect leaseholders in Wales from paying for cladding remedial works

Text of petition:

Thousands of flat leaseholders in Wales are facing huge bills to pay for cladding remedial work and an EWS1 form to confirm that not only is there no ACM cladding (like Grenfell) but also no 'combustible material', regardless of whether the buildings had previously passed regulations.

The costs should be covered by the Government and councils as many leaseholders can't afford to pay for these repairs.

Leaseholders shouldn't be the ones having to pay for these repairs, as they were up to the correct standard before the UK Government's new advice in January 2020. We cannot sell our flats, or remortgage, until the work is complete, as mortgage lenders are providing a NIL value as our homes are now viewed as 'unsafe'.

In England, the Building Safety Fund is being utilised to help the repairs for buildings over 18m, the Welsh Government are using this money for COVID-19



instead. Welsh Government money should be used for the same purpose in Wales and for all flat buildings - as the new advice isn't just for buildings over 18m. While the Pandemic is important, leaseholders need to be safe in their homes.

<https://www.gov.uk/government/news/new-1-billion-building-safety-fund-to-remove-dangerous-cladding-from-high-rise-buildings>

<https://medium.com/never-fear/the-grenfell-fire-that-continues-to-burn-7325ca87788c>

<https://www.walesonline.co.uk/news/politics/cardiff-bay-flats-victoria-wharf-18935612>

1. Background

Following the fire at Grenfell Tower, governments across the UK have taken steps to address fire safety. While the focus was initially on cladding and high rise residential developments, the scope of this work has widened significantly.

This petition focuses specifically on cladding, the ESW1 form and costs to leaseholders. The EWS1 (External Wall Systems 1) form is not a statutory requirement. It was designed by stakeholders (including lenders) led by the Royal Institution of Chartered Surveyors. The RICS [website](#) notes that the form was developed “...following [UK] Government advice regarding external wall systems on buildings above 18m and was created to ensure buildings over 18m tall could be assessed for safety to allow lenders to offer mortgages” Further information is available on the RICS [website](#).

The Welsh Government notes the use of the ESW1 form in a letter to the Chair:

Whilst the EWS1 form is not currently part of any legislative requirement, it is being used by lenders to obtain assurance when lending against

high rise residential buildings. We are aware that there are a number of problems with this process.

The letter also provides some detail of funding arrangements in England.

2. Welsh Government action

The *Building (Amendment) (Wales) Regulations 2019* amend the *Building Regulations 2010* and took effect on 29 January 2020. They prohibit the use of combustible materials in the external walls of certain buildings over 18m in height.

In June 2020, the Welsh Government published its position statement on building safety. That set out the Welsh Government's plan to reform regulations and address fire safety in high rise buildings.

In a letter to the Senedd's Equality, Local Government and Communities Committee dated 27 November 2020, the Minister for Housing and Local Government noted:

I have repeatedly made clear that building owners and developers should face up to their responsibilities and put right these faults at their own cost, or risk their professional reputation.

In the same letter, the Minister also referred to an open letter that she wrote to developers on 23 October 2020. In the letter, the Minister noted:

I do not believe that responsibility for remedying these issues should lie with the residents of these buildings. People purchased their properties in good faith, believing they met all relevant safety standards. They are now being put in a position where they face significant financial costs to put right faults that should never have occurred.

Some developers have already demonstrated that they can do the right thing. Steps have already been taken, and are ongoing, to remediate non-compliant ACM cladding. However, I am disappointed that in some of these buildings further defects beyond the cladding have been identified and these issues are being left to the residents to resolve. I believe that where developers have clearly failed to build to required standards, they should step up to their responsibility and put these faults right. Without excuse, and without delay.

The Minister invited developers to set out their approach to engaging with residents of affected buildings.

The Welsh Government outlined difficulties faced by leaseholders in written evidence to the Senedd's Equality, Local Government and Communities Committee as part of its scrutiny of the draft budget on 21 January 2021:

Under existing leasehold contracts it is most likely that, in the eyes of the law, the leaseholder is duty-bound to fund remediation. But without financial support remediation is unlikely to happen at pace as the financial burden would be significant for leaseholders potentially resulting in bankruptcy, or significant financial hardship, for many. Working estimates indicate a cost to leaseholders of between £12k and £79k depending on the severity of defects. The problem is compounded by related issues regarding mortgages and insurance preventing borrowing against properties with identified cladding issues, leaving people feeling trapped in their own homes.

In the Welsh Government's draft budget for 2021-22, £32million capital is allocated to help address building safety concerns. The draft Budget says 'this investment will provide a solid foundation through remediating building defects, and supporting the installation of sprinklers and evacuation alert systems in a number of affected high rise buildings'. The draft budget narrative document also says:

We remain clearly of the view that individual leaseholders should not have to pay for defects and deficiencies in build quality where there is a clear failure to build to standards, and we will continue to press developers to meet their moral obligations and remediate these buildings.

However, where it is right for government to provide support to ensure the safety of people's homes we are committed to doing so, and doing so now. We recognise the significant mental health concerns and potential for people living in these properties to require additional financial and wider support. Therefore, building on the £10.6m that we have provided in this current financial year, in 2021-22 we are making available £32m (£20m general capital and £12m financial transactions capital) to help address building safety concerns. Given the scale of this issue, this investment will provide a solid foundation through remediating building defects, and supporting the installation of

sprinklers and evacuation alert systems in a number of affected high rise buildings.

The Welsh Government launched a building safety White Paper, *Safer buildings in Wales*, on 12 January 2021. The consultation will be open for 12 weeks.

3. Welsh Parliament action

The Senedd agreed a Legislative Consent Motion in relation to the UK Government's *Fire Safety Bill* on 6 October 2020. The provisions for which consent was sought include clarification that the *Regulatory Reform (Fire Safety) Order 2005* applies to the building's structure and external walls, as well as any common parts and also to the doors between domestic premises and common parts.

The Senedd's Equality, Local Government and Communities Committee has scrutinised the response of the Welsh Government to fire safety in high rise residential blocks since the fire at Grenfell Tower. It published **two reports** and has continued to correspond with the Welsh Government on this issue.

The Equality, Local Government and Communities Committee's **forward work programme** indicates it intends to look at matters relating to building safety in the spring term of 2021.

Every effort is made to ensure that the information contained in this briefing is correct at the time of publication. Readers should be aware that these briefings are not necessarily updated or otherwise amended to reflect subsequent changes.