Safety in your building

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Dear residents,

Government announces new protections for leaseholders

The government has made a follow-up announcement to their January 2022 statement; the main point then being residents in buildings above 11 metres will not have to pay for cladding related building safety costs. As with the previous announcement, this is a changing situation and so we must wait to see how the sector reacts. Much of the below is the government's intention and has **not been confirmed in law or policy yet.**

You can read the government's press release here: **https://www.gov.uk/government/news/government-to-protect-leaseholders-with-new-laws-to-make-industry-pay-for-building-safety.**

Leaseholder protections

The majority of announcements are in the form of amendments to the Building Safety Bill, currently being debated in the House of Lords. These are not legislation yet, instead showing the government's intention. You can read the amendments here: **https://bills.parliament.uk/bills/3021/publications.**

The announcement confirms the promise that leaseholders living in buildings over 11 metres won't have to pay for cladding issues, but also now includes non-cladding costs as well. For non-cladding costs and waking watch charges, these will be capped at £15,000 per leaseholder for those in London and £10,000 per leaseholder for those out of London. This is only for situations where the building owner cannot afford to pay.

The amendments also include a commitment to shared owners only being charged a percentage of building safety related service charges, e.g. if you own a 25% share you will only pay 25% of the cost of non-cladding costs.

I'd like to reiterate that these are currently amendments to the Building Safety Bill, so have not been signed into law yet. They could also not make it into the legislation. Again, we must wait and see what happens before we will be able to give you clearer information and confirm what our approach will be.

A summary of this letter

The government has made a further announcement on building safety and has submitted a number of amendments to the Building Safety Bill. This announcement states their intention but none of the below has been confirmed in law yet:

- Leaseholder payments for building safety work will be capped at £15,000 for those in London and £10,000 out of London
- Shared owners to pay a proportion of any building safety costs, based on the share they own, e.g. 25%
- Developers and product manufacturers who refuse to pay could be blocked from the housing market
- Manufacturers can be sued and fined for their defective products.

As with all major government announcements on building safety, we must wait to see how the sector reacts to this and what next steps the government takes.

Developer/manufacturer contributions

To further protect leaseholders, developers will have to pay in full for fixing historic building safety issues. Those who do not help to cover costs could be blocked from participating in the housing market. In addition, building owners who are not linked to the developer will pay where they can afford to do so. At the moment, it is unclear how the government will determine whether a housing association can 'afford' to cover the costs, so we need to wait for further information.

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Alongside this, new powers will allow cladding companies to be sued and fined where they have manufactured and sold defective products. The Secretary of State hopes that these measures will not have to be used; they are only for those developers/manufacturers who are unwilling to commit to paying for the cladding crisis.

Investigating your building and obtaining an EWS1 form

I know this will be an incredibly frustrating time for you while you wait to hear when we will investigate your building. I want to explain why we're not able to give you a date by when you can expect to have an EWS1 form if it is required. As you can see, there have already been two major building safety announcements this year, and both of them have included items which will change the landscape of building safety in the sector.

Most of the government's announcements were commitments, rather than a specific description of how they would achieve their goals. This most recent announcement contains amendments to draft legislation, which have not been put into law yet. Therefore, there is still a lot of uncertainty surrounding building safety and the approach we should take.

It is incredibly difficult to give you a specific timescale of when we can expect your building to be investigated or receive an EWS1 form. Without information on the current state of your building we also don't know whether remediation is needed and therefore if an EWS1 form can be issued quickly or we must wait until after remediation work.

We previously wrote to you about our expected timeline for your property's investigation and it is with regret I must say that we will not be able to meet that timeframe. Our high priority buildings have proved incredibly complex and negotiations have taken much longer than we had hoped. This has meant space has not been freed up in our project team for us to move onto investigating lower priority buildings. It is also a challenge to find a fire engineer with capacity to take on new clients. In addition, it may be that the government's announcements – once established in law and/or policy – will mean there is no longer a need for your property to be investigated. As soon as we have any firm information about an investigation we will write and let you know.

I want to reiterate our commitment to update you on major government announcements, and as always, we must wait and see how these statements affect the sector. Please get in touch with us on **customerservice@networkhomes.org.uk** if you have any questions.

Kind regards

Raj Gandecha
Head of Resident Management (Building Safety)