

Safety in your building

16 March 2022

74, 76, 78, 80 Cambridge Road,
South Kilburn,
NW6

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.

Developer/manufacture 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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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.

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.

Remediating your building

Alongside our chartered Fire Engineer, CHPK Fire, we're still discussing the remediation strategy with the original contractor and their Fire Engineer and hope we can reach an agreement with them soon – this isn't a guarantee but we are working hard to try and reach a solution. I wanted to write and share this government update anyway, as I want to reassure you the government will hopefully be legislating further protections for leaseholders.

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. You can view all letters relating to the project at your building here: www.networkhomes.org.uk/KilburnQBuildingSafety.

Kind regards

Raj Gandecha
Head of Resident Management (Building Safety)