



Mr Clive Betts MP  
Chair  
Housing, Communities & Local Government  
Select Committee  
House of Commons  
SW1A 0AA  
United Kingdom

Sent via email to: [hclgcom@parliament.uk](mailto:hclgcom@parliament.uk)

18th May 2020

Dear Clive,

**Greater Manchester High Rise Task Force: Submission to the Housing, Communities and Local Government Committee 'Inquiry on 'Cladding: Progress of Remediation.**

I am writing as Chair of the Greater Manchester High Rise Task Force (the Task Force) to provide evidence to the Committee in relation to the current Inquiry on progress with removing dangerous cladding from high rise and high risk buildings.

Firstly, I would like to thank the Committee for examining this issue which is a cause of great concern in Greater Manchester and affects many of our residents and key services. It is clear that the current system of regulation for new buildings is not fit for purpose and this has led to a national industrial crisis which the Government has not yet provided an adequate response to. The announcement in March of a Building Safety Fund is a welcome step but there is far more to be done to ensure the safety of residents and support those trapped in dangerous homes.

I am greatly reassured that the Committee has acknowledged that height is not the only measure of risk as it is a great concern that the Government's focus on buildings with a top storey of 18 metres is an artificial and ineffective determinant of risk. This was demonstrated in the fire at The Cube in Bolton in November 2019 - a building which is recorded as having a top storey at 17.9 metres but a wall height far greater than 18 metres. I am sure that members of the Committee are familiar with the images of the fire which fortunately did not result in significant injuries or fatalities, but clearly demonstrates the risks posed in any building irrespective of its height. Similarly devastating fires at the Beechmere care home, the Brentford Travelodge, the Worcester Park flats and the Barking flats, all low-rise, demonstrate the arbitrary and ineffective nature of the 18m threshold.



**Paul Dennett  
City Mayor**

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**From the office of the City Mayor**



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It is also vital the Government addresses the underlying failings in the regulatory system which has caused this industrial crisis. The narrow focus on cladding is addressing the symptoms not the cause.

I have enclosed with this submission a number of documents that may be of interest to and assist the Committee, they are the report of a Resident Survey that was undertaken by the Task Force in Greater Manchester last summer and the response of the Task Force and the detailed submission of Greater Manchester Fire and Rescue Service (GMFRS) to the Government on its proposals for 'Building a Safer Future'. These documents may be useful to the work of the Committee as they provide greater insight into the issues faced in Greater Manchester and across the country. The GMFRS submission recommendations to the Government on how it could improve the regulatory system – steps it has as yet failed to take in any meaningful way.

It is a cause of concern to the Task Force there has still been no change to the regulatory system and no change to the competency or culture in industry. We are equally concerned that the Government advised in January that cladding should be assessed and, where necessary, removed on buildings under 18 metres, but it is only now consulting on whether the same materials should be 'banned' in new buildings.

### **Is the Government's new £1 billion remediation fund sufficient to address all remaining concerns in high rise and high risk buildings?**

The Task Force does not consider that the £1 billion Building Safety Fund will be sufficient to address the fire safety deficiencies in high rise buildings let alone other high risk premises. The Government has failed to make clear what the fund can be utilised for and this must include all identified fire safety deficiencies and not be restricted to the removal and replacement of cladding systems.

It is not clear if the fund is intended to meet the costs of remediation work for both social and privately owned blocks – it is imperative that the cost of remediating all buildings are covered irrespective of tenure. A failure to do so is likely to have catastrophic consequences for social landlords and a detrimental impact on all of their tenants.

To date, 20% of high rise buildings in Greater Manchester have identified significant fire safety deficiencies relating to their construction or refurbishment. If this is representative of the national picture then in excess of 2000 high rise buildings are likely to be affected. The Government has made £600 million available for the remediation of less than 500 buildings identified as having ACM cladding. There is no available evidence to suggest that the remediation of other cladding types and fire safety failings will be less costly than the remediation of ACM cladding.

The average cost for remediation of buildings in Greater Manchester is in the region of £4million. This means that approximately 25% of the fund could be required to fund remediation of high rise buildings within Greater Manchester alone.

The Task Force, GMFRS and others have repeatedly raised with Government that the risk is not restricted to buildings under 18 metres and this was demonstrated at The Cube in Bolton.

The Government has not given any indication that buildings which are not high rise will be eligible to access the fund. Indeed, in response to a written question, Christopher Pincher MP on 12 May stated – “There are no plans to extend the Building Safety Fund below 18m”. This is likely to mean that residents will continue to face considerable costs for remedying construction defects and removing combustible cladding. It is unlikely that Warranty claims for removal of combustible cladding will be successful given that the current Building Regulations and Guidance in Approved Document B do not restrict the use of combustible materials in the external walls of buildings under 18 metres.

**What lessons should be learned from the administration of previous funding mechanisms?**

The Government must ensure that the fund is able to adequately cover the costs of ensuring the building is safe and not be restricted to the removal and replacement of particular products. The fund must be available for all buildings and not exclude schemes like the PFI Projects in Salford that were excluded from both the Social and Private Sector ACM Remediation funds.

The requirement for State Aid Declarations to be completed by all leaseholders must be simplified to remove administrative burdens and provide certainty to affected residents.

There needs to be clear guidance as to whether there is still a requirement to undertake the statutory consultation process required by S20 of the Landlord and Tenant Act 1985 in relation to works that are funded and whether leaseholders who do not return State Aid Declaration forms or are not eligible for the assistance are liable for contributing to the costs of the work.

The Government must provide clarity in relation to the duration of the fund and timescales for applications. In Greater Manchester, as a result of the approach that has been taken, the majority of buildings have been assessed and deficiencies identified. However, as further information has emerged around the risks of particular products, further assessments have been required and some buildings are still waiting for the completion of an assessment by a competent person due to lack of capacity in the industry. If the fund is to operate with a deadline for applications, it is likely that some buildings will not yet be in a position to make an application to the fund.

**Will the new External Wall Fire Review process for the valuation of high-rise properties be effective in improving access to buildings insurance and mortgage finance for leaseholders?**

There is no evidence to date that the EWS1 form is having a beneficial impact for leaseholders in improving access to mortgage products. The costs of ensuring that an EWS1 is completed fall to leaseholders and there is an apparent lack of suitably qualified and insured professionals to undertake this work.

The Government should work with mortgage lenders to explore alternatives and provide reassurance that the Building Safety Fund will be utilised to fund remediation works. Urgent steps must be taken to ensure that leaseholders can re-mortgage their homes and are not disadvantaged by being excluded from mortgage products.

The Government must take steps to clarify expectations in relation to buildings under 18 metres and ensure that funding is available to remediate these buildings where required.

## **What additional challenges have been presented by the coronavirus pandemic and how might these be overcome?**

It is not clear at this stage the extent to which the current Covid-19 pandemic has impacted on the work to ensure the safety of buildings in Greater Manchester. It is clear however, that this has further impacted on the mental health of residents who were already experiencing anxiety about the safety of their homes and the costs of meeting interim measures.

It is anticipated that the pandemic will delay the installation of fire alarms and thus extend the cost of waking watches for some blocks to the detriment of leaseholders. There are at least two buildings where remediation work has been delayed as a result of residents being reluctant to allow contractors access to their homes.

It is difficult to see how this can be overcome whilst protecting the safety of residents in high rise buildings and those who are engaged in undertaking the necessary works.

As Chair of the Task Force I have called on Government to take further steps to ensure the safety of our residents and it is my view that neither residents nor social landlords should bear the costs of remedying the failures of profit making developers and construction companies. It is clear that the Government must provide support to ensure the safety of buildings across the social and private sector and this extends beyond the urgent need for financial support.

The Government must work with mortgage lenders to ensure that residents in affected buildings are able to re-mortgage and mortgage products are available for those looking to purchase flats. Financial assistance should not be restricted to high rise buildings but extended to all buildings where resident safety is compromised by construction failures.

The Government must take steps to alleviate the financial implications faced by housing providers and leaseholders through the cost of vital but short term interim measures and increased insurance costs and should as a minimum take steps to exempt all vital fire safety works from VAT. Those caught up in this crisis of fire safety failings should not have to pay VAT on surveys, assessments or interim measures required to ensure their safety in the event of a fire. Nor can it be right that developers were not required to pay VAT at the time of construction but that VAT is required to remediate their failings. This issue has been raised on multiple occasions but not yet addressed. It cannot be right that Government benefits from what is effectively a windfall tax at the cost of leaseholders and social landlords.

I remain concerned that the Government has not yet taken any action to tackle the underlying cause of the problems – a broken regulatory system. No steps have been taken to address the issues identified by Dame Judith Hackitt of conflicts of interest where developers are able to choose their own regulators, or in relation to the inadequate sanctions available regarding non-compliance with the Building Regulations.

A failure to address these root causes and the proposal to legislate for a new regime for buildings over 18 metres, risks developing a further fractured and two-tiered regulatory system.

It will mean that poor quality construction is allowed to continue and offer no adequate protection for leaseholders and residents in buildings under 18 metres.

Recently within my own city, the Fire Service had no choice but to prohibit The Gateway, a development of 50 flats, following identification of significant construction defects and inadequate funds being available to maintain interim measures. In that case leaseholders are facing bills of £30,000, half the value of the flats, or to sell them for the same amount leaving huge mortgage liabilities. GMFRS worked closely with my officers to ensure a co-ordinated approach and ensure residents were provided with information and support about their housing options. The costs of supporting residents and the provision of temporary accommodation has fallen to my Council and our already pressured budgets. This is a picture that could be replicated around the country if the Government fails to provide support for all buildings.

Finally, I would like to offer my assistance and that of the Task Force if further information would be useful to the Committee.

Yours sincerely

A handwritten signature in black ink, appearing to read 'P. Dennett', with a stylized flourish at the end.

**Paul Dennett**  
**City Mayor of Salford**  
**GMCA Housing, Homelessness and Infrastructure Lead and Chair of the Greater Manchester High Rise Task Force**

Enclosed: Greater Manchester High Rise Task Force Submission: Housing, Communities and Local Government Committee 'Inquiry on 'Cladding: Progress of Remediation  
Greater Manchester Manchester High Rise Task Force: Resident Survey Analysis Report, January 2020  
Greater Manchester Fire and Rescue Service Submission: MHCLG Building a Safer Future, July 2020  
Greater Manchester High Rise Task Force Response: Building a Safer Future

**Greater Manchester High Rise Task Force Submission**  
**Housing, Communities and Local Government Committee**  
**'Inquiry on 'Cladding: Progress of Remediation**

About the Task Force

The Greater Manchester High Rise Task Force was established immediately after the fire at Grenfell Tower by Andy Burnham, the Mayor of Greater Manchester. Salford City Mayor Paul Dennett has chaired the Task Force since its inception, supported by Greater Manchester Fire and Rescue Service (GMFRS). The Task Force includes all ten Local Authorities, representation on behalf of all social landlords, Civil Contingencies, Universities and other Agencies who can offer support to ensure every high rise is safe and residents receive the right fire safety advice.

The key objectives of the Task Force are;

- Ensuring all services in Greater Manchester can respond in the event of a large scale incident at a high rise building
- Providing assurance to all residents that their homes are safe as quickly as possible

The Task Force has overseen the response within Greater Manchester to ensure preparedness in the event of a similar incident to the fire at Grenfell Tower. It has taken action to ensure safety of premises and provides reassurance to residents in high rise accommodation. The Task Force has also ensured that robust contingency plans are in place in the event of a similar fire occurring within Greater Manchester.

To date the Task Force has;

- Overseen the inspections and follow up action undertaken by GMFRS that involved all high rise residential buildings being inspected in 2017 and ongoing work to address safety concerns
- Developed consistent safety advice and promoted "Stay safe" messages to address concerns of residents about "stay put"
- Targeted prevention advice and activity to residents in high rise buildings
- Developed a procurement framework for essential fire safety measures including fire risk assessments, fire alarms and sprinklers which is accessible to social landlords and privately owned blocks
- Established a quarterly Residents Forum to share information with high rise residents and listen to their concerns, this allowed residents to contribute directly to the Government consultation on Building a Safer Future
- Identified issues to contribute to and inform the national debate including providing information and evidence to the Independent Review of Building Regulations and Fire Safety and the Government consultation on Building a Safer Future

- Delivered contingency planning workshops in every Borough to ensure that there are plans in place in the event of an evacuation of a high rise building
- Worked with partners in the Task Force participating in the Government's 'Early Adopters' pilots, which are examining ways of improving the regulatory regime.

Through the Residents Forum the Task Force engages with residents and residents' groups, in particular the 'Manchester Cladators' who have regularly spoken at the Residents Forum to share information with and support other residents.

The Task Force has and continues to take a comprehensive and holistic approach to the safety of high rise buildings and has not restricted its focus to buildings which have ACM only.

As a result of the work of the Task Force both Paul Dennett, Chair of the Task Force and Andy Burnham, Mayor of Greater Manchester have repeatedly called on Government to act to address the issues and protect leaseholders. This includes letters to the Prime Minister and successive Secretaries of State requesting action to;

- Develop a comprehensive package of financial support for essential fire safety works to end the 'cladding lottery'.
- Waive VAT on all fire safety works
- Complete the testing regime and provide further information about the results
- Address the failings in the current Building Control system

### Key concerns identified by the High Rise Task Force

The Task Force has previously submitted evidence to the Government's consultation that categorically stated that current system of regulation is not fit for purpose, and that the safety of buildings needs to be embedded from the planning stage through to the management of occupied buildings. It is now clear that the problems related to construction quality and safety are not restricted to cladding systems or high rise buildings.

There are no legal effective mechanisms to hold developers responsible for construction defects and no adequate protection for leaseholders. Developers are not 'doing the right thing' and in many cases no longer exist or have gone into administration.

The ACM funding created a 'cladding lottery'- the extension to private owned buildings has not been sufficient. In Greater Manchester this is demonstrated by the number of buildings that do not have ACM and therefore are not eligible for the funding and buildings with a minimal amount of ACM but other more serious fire safety deficiencies. The Building Safety Fund must be utilised to address the safety of buildings in both the social and private sector in a holistic way.

Following the release of the updated Advice note 14 in December 2018 many leaseholders have struggled to sell or access re-mortgage products on their homes due to the confusion around the advice note. This has created an additional financial problem for leaseholders aside from the costs of remediation. In December 2019 an industry wide process was agreed between the Royal Institute of Chartered Surveyors, The Building Societies Association and UK Finance to address the confusion and create a consistent approach. The status of this agreement is now unclear following the publication of the Advice Note in January 2020 and difficulties in accessing mortgage products is likely to be experienced across all flats.

#### Action taken by Greater Manchester Fire & Rescue Service (GMFRS)

GMFRS inspected all high rise buildings in 2017 and has been working with housing providers and managing agents to ensure that all cladding types were identified and the risk of external fire spread assessed along with assessments of other fire safety features in the buildings.

Where a risk is identified that means that the building can no longer support a 'stay put' strategy then GMFRS provides advice and support as to how an evacuation strategy can be supported in line with national guidance and carries out regular assurance visits to ensure these arrangements remain in place.

GMFRS has created a system of 'Fire Safety Alerts' to share the advice notes issued by the Government with housing providers and managing agents and also provided bespoke information letters which can be distributed to residents for example in relation to fire safety on balconies.

GMFRS has worked to support residents by attending meetings to discuss fire safety concerns in their building, arranging and supporting the quarterly High Rise Residents Forum and supporting social landlords at events to promote the installation of sprinklers.

#### The current position in Greater Manchester

As a result of the co-ordinated approach taken in Greater Manchester, the Task Force is in a unique position to evidence the scale of the problem of fire safety deficiencies across a range of residential buildings. The Task Force has repeatedly made clear that fire safety failings are not confined to Aluminium Composite Materials used in cladding systems or restricted to buildings over 18 metres which is considered to be an arbitrary and outdated height limit.

As a result of the inspections undertaken by GMFRS, housing providers and managing agents have been required to identify and assess materials used in the external wall system (commonly referred to as cladding) of high rise buildings and undertake detailed fire risk assessments which consider not only the cladding but also the compartmentation within the building.

The identification and assessment of risks in high rise buildings requires detailed analysis of the materials used in the construction of the buildings and may require intrusive surveys before assessment by a 'competent person' which is in many case

a fire engineer. In many cases, this can take a significant period of time as there is limited capacity in industry to meet the current demand and invasive surveys and specialist reports can also be costly. To date there has been no financial assistance provided for either the social or private sector to support these assessments.

Where it is identified that there are significant fire safety failings in a building it is often necessary to change the evacuation strategy for a building - this is commonly referred to as 'interim measures'. The change to the evacuation strategy requires a detailed and holistic assessment of the risk. Not all buildings which have ACM cladding or have identified fire safety deficiencies have needed to change the evacuation strategy although extensive work may be required. However, the number of blocks which have adopted interim measures provides an indication of the scale and severity of the issues.

The information summarised below is taken from GMFRS records and is intended to provide an overview of the situation in Greater Manchester in respect of high rise residential buildings.

### **High Rise buildings with interim measures**

- There are currently 78 high rise residential buildings which have adopted interim measures as a result of significant fire safety deficiencies
  - 19 of these are owned / managed by social landlords
    - 13 of these have ACM cladding subject to funding
  - 59 are privately owned and leaseholders are believed to be liable for funding the work on all of these buildings
    - 11 of these have an element of ACM cladding for which remediation funding is currently available

### **High Rise buildings subject to ACM Testing**

- 64 high rise residential buildings are known to have failed the ACM tests provided by MHCLG through BRE
- 21 of these buildings currently have interim measures
  - 10 buildings with interim measures are currently reliant on a waking watch (9 of these are operated by one social landlord and the 1 private building is currently being remediated)
- 50 of these are owned / managed by Social Landlords
  - 15 of the social blocks currently still have interim measures and the remainder have been remediated. Plans for remediation are in place for all of these blocks and work is ongoing on many of them
- 14 are privately owned blocks
  - 2 of the privately owned blocks were not required to change the evacuation strategy
  - 2 are private student blocks and have been remediated
  - 1 is privately owned and had a minimal amount of ACM on the upper floor which has now been remediated

- Of the 11 privately owned buildings which have an element of ACM eligible for remediation funding
  - 2 are currently being remediated without accessing the ACM remediation fund
  - 1 is pursuing a warranty claim
  - 8 also have other non-compliant cladding or other fire safety deficiencies for which no funding has been available

### **High Rise buildings with other fire safety deficiencies**

- 57 buildings have interim measures as a result of issues which are attributable to issues other than ACM
  - 22 of these are currently reliant on a waking watch to raise the alarm and instigate an evacuation in the event of a fire
- The main risks identified across these 57 buildings include;
  - High Pressure Laminate cladding
  - Wooden cladding systems
  - Combustible insulation materials
  - Wooden balconies that may lead to fire spread
  - Lack of cavity barriers – intended to prevent the spread of fire
  - Lack of adequate compartmentation between apartments and throughout the building
  - Unprotected steelwork which forms the structural frame of the building

Since 2017, over 100 high rise residential buildings in Greater Manchester have needed to change the evacuation strategy as result of fire safety deficiencies – this amounts to approximately 20% of the high rise building stock.

The number of buildings affected is anticipated to increase as housing providers and managing agents continue to receive the results of surveys and specialist reports and further risks continue to be identified.

The figures provided relate to high rise residential buildings only. Since 2017, GMFRS has served prohibition notices on four privately owned non-high rise blocks of flats as a result of serious fire safety deficiencies. A number of non-high rise blocks have flats have been required to change the evacuation strategy and adopt interim measures as a result of serious fire safety deficiencies including internal and external fire spread.

### **Scale and cost of remediation**

All of the high rise buildings with ACM owned or operated by social housing providers have now either been remediated or are in the process of remediation. Whilst this work has been met through the ACM Fund for the social sector the cost of interim fire safety arrangements including the installation of fire alarms, the costs of waking watches and measures which go further to prevent the safety of residents including the installation of sprinklers have not been funded.

GMFRS have been working with managing agents to develop a comprehensive picture of the costs and timescales for remediation of both high rise and non high rise blocks of flats. To date, information has been provided about 58 buildings where significant remediation works are required and this includes a number of buildings under 18 metres.

The information provided in relation to these buildings demonstrates the scale of the risks across residential buildings and the challenges faced in ensuring they are safe;

- 51 of the buildings were constructed or refurbished prior to 2007 which means the Warranties had expired prior to the fire at Grenfell and the publication of the MHCLG Advice Notes which followed.
- 5 buildings are currently pursuing a warranty claim
  - 1 of these buildings has had the claim accepted after an initial refusal but there is an excess of approximately £1200 per leaseholder
- 6 buildings have compliant cladding but have identified other deficiencies
- 10 buildings have identified a serious risk of internal fire spread
- 27 buildings have identified a serious risk associated with balconies and / or deck access
- 11 buildings have identified a serious risk with structural fire safety deficiencies
- 18 buildings have identified a serious risk with insulation

In the vast majority of cases, work is ongoing to produce detailed specifications of the work required and therefore the managing agents have not been able to provide an estimate of the costs of the work. However, technical specifications have been produced for 13 buildings and therefore the managing agents have been able to provide an informed estimate of the costs as follows;

- The lowest cost estimate is for a building which requires some compartmentation works and for remediation to balconies this is estimated at £190,000
- Nine buildings have cost estimates of between £2m and £5m
- Two buildings have an estimated cost of £5.5 million
- One development has an estimated cost of £11million which does not include structural work which is subject to ongoing investigations.

**The total costs for these 13 buildings alone amounts to £51.3 million.**

The anticipated timescales for works also indicate that this problem will be ongoing for some time. Information is yet to be provided for the timescales for remediation for 38 of the buildings where a return has been provided. For the twenty buildings where an estimated timescale has been provided;

- Only 6 buildings are likely to have work completed in less than 12 months
- 6 buildings are likely to have work completed in between 12 months and 2 years
- 8 buildings estimate the work will take in excess of 2 years to complete

There are a number of buildings which demonstrate the inadequacies in the current approach to the provision of funding to date.

The development with an estimated cost of £11 million includes three buildings which have a combination of cladding systems including ACM, Timber, Aluminium Spandrel panels and Render in addition to wooden balconies. Preliminary surveys have also identified that the structural steelwork may be unprotected and therefore pose a risk of building collapse or significant damage in the event of a fire. At present, the ACM fund can be accessed but only for remediation of the ACM cladding which is neither cost effective and would not deliver the required improvements to the building or achieve compliance with either the Building Regulations or the Fire Safety Order. If this work were undertaken in isolation it would not make the buildings safe for the residents, nor would it address the difficulties in selling properties or re-mortgaging for existing residents.

Another development which has an identified risk of external fire spread was refused testing of cladding samples by the BRE and refused funding under the ACM remediation fund on the basis that the product was not an Aluminium Composite Material. The cladding which has been identified and assessed as posing a significant risk of external fire spread is a panel comprising two sheets of aluminium of 1mm thickness and a 70mm polystyrene core. The managing agent and the specialist surveyors contracted by the Resident Management Company have been informed by BRE that this does not qualify for testing as it is not ACM in accordance with the MHCLG definition and referred to Advice Note 1 on the MHCLG Website. The previous Advice Notes have since been consolidated, however the letter from MHCLG to Private Residential Blocks dated the 20<sup>th</sup> June 2017 defines ACM in the following way;

*“Identification of Aluminium Composite Material Cladding  
Aluminium Composite Material (ACM) is a type of flat panel that consists of two thin aluminium sheets bonded to a non-aluminium core, typically between 3 and 7mm thick.”*

It is unsurprising that both surveyors and residents are unable to understand why a material which comprises aluminium and a combustible insulation core falls outside this definition and is not eligible for funding.

### The Cost to Greater Manchester

There is no simple way of estimating the cost of the current situation and the implications of the fire at Grenfell Tower to Greater Manchester, but it is possible to set out areas where there has been no additional funding or resourcing. The approach taken by all partners in Greater Manchester to work together in a co-ordinated way and through the Task Force utilises existing resources and no funding has been provided to support this work.

No additional funding has been provided to GMFRS or Local Authorities to identify and address the risks in high rise residential buildings. A limited amount of funding was made available to Local Authorities to address the administrative burden of collecting data on behalf of MHCLG. There has been no funding for housing providers or managing agents to support them in collating or responding to requests for information – in many cases this is a distraction from work to address the safety of the buildings they manage and requires them to try and extract information from

detailed assessments and surveys. In the case of private buildings this is an additional management cost borne by leaseholders through service charges.

No additional funding has been provided to Social Landlords – the costs of carrying out detailed fire risk assessments and supporting residents and enhancing fire safety measures in high rise blocks is required to be met from existing resources.

There are huge financial costs for leaseholders in privately owned buildings who are liable under the terms of the lease to pay for improvements to their buildings. The majority of buildings affected are out of warranty and there is no form of redress available for leaseholders. The estimated costs of the work range across the buildings affected range from £25,000 per leaseholder to £140,000 in one case (not involving ACM cladding). At present many leaseholders are trapped as their properties are rated as £0 value for mortgage purposes.

The funding made available for remediation of ACM cladding does not currently assist in many buildings where ACM is combined with other cladding types or fire safety deficiencies as it is not cost effective and in some cases not possible to remediate without undertaking removal and replacement of the other cladding. At this stage the Government has not made clear the scope or timescales for the Building Safety Fund leaving some buildings under pressure to remove and replace ACM but with no certainty over the funding for other work.

No additional funding or financial assistance has been made available to either privately owned or social housing blocks for any of the following works;

- Cladding surveys and specialist reports
- Fire risk assessments
- Replacement of fire doors (following Government testing that found 5 out of 6 doors manufactured as 30 minute fire doors failed tests)
- Interim measures the costs of waking watches or installation of fire alarms
- Compartmentation works
- Remediation of non-ACM cladding
- Replacement of combustible insulation
- Retrofitting of cavity barriers that should have been installed at the time of construction
- Replacement of wooden balconies and deck access routes
- Installation of sprinklers

It is not clear whether the cost of these works will be in scope for the £1 billion Building Safety Fund or whether it will only pay for the removal and replacement of cladding systems.

Currently VAT is payable on all fire safety works including those outlined above and the Government will already have received considerable income on the costs incurred by housing providers and leaseholders to date. The Government should take immediate steps to exempt VAT on all essential fire safety works for residential buildings. The scale of the problem across Greater Manchester alone presents a potential windfall tax for the Government.

In addition the G15 Group of Housing Associations have estimated that the cost of making the 1,145 high rise buildings owned by the group to be over £6billion which alone would generate over £1billion in VAT for the Government.

### The impact on residents

The scale of fire safety deficiencies has significantly impacted on residents in high rise buildings both through increased anxiety about their safety and for residents in privately owned blocks there is a considerable financial impact.

The Task Force commissioned a survey of residents which was undertaken in the summer of 2017 (at that time 57 blocks had adopted interim measures) to gather the views and experiences of residents to shape the future work of the task force. The survey provides an insight into the issues and difficulties residents are having to deal with every day, the findings are currently being considered alongside the recommendations from the Grenfell Phase 1 Inquiry Report to develop a work plan for the Task Force.

Key findings from the survey include;

- 70% of residents living in high rise buildings are worried about a fire in their building
- Over 50% of owner occupiers and 16% of private tenants told us they were suffering from increased costs, with one resident reporting an increase in service charges from £90 to £400 a month and another facing an increase in the service charge to £1000 a month to cover the cost of remediation
- 17% of residents reported they had tried to sell or remortgage their home, but had been unable to do so and are now in effect 'mortgage prisoners'
- Residents who have attempted to sell their flats told us they either had buyers pull out, have been told their property is valueless or were only receiving cash offers for far below the price they paid

Responses from residents completing the survey covered a number of issues surrounding their financial difficulties and concerns following the fire at Grenfell Tower;

- *"I was unable to sell due to a large number of fire safety issues. I only discovered this after having an offer accepted on a house and having found a buyer for the flat. This has caused a huge amount of distress and worry."*
- *"My wife and I want to move out but due to cladding, we cannot sell or get a mortgage on a new property so we are 'stuck'"*
- *"Additional service charge from £90 per month to £480 per month to cover cladding replacement"*
- *"Tried to sell but buyer's mortgage lenders requested a document that [managing agent] couldn't provide... the buyer has since dropped out."*

The financial implications are not restricted to buildings where work is required and many residents report that they are unable to re-mortgage their flats as lenders have

either withdrawn their products or require assurances that the building complies with the 'requirements of MHCLG' which it is not possible to provide.

### **Is the Government's new £1 billion remediation fund sufficient to address all remaining concerns in high rise and high risk buildings?**

The Task Force does not consider that the £1 billion Building Safety Fund will be sufficient to address the fire safety deficiencies in high rise buildings let alone other high risk premises.

To date, as 20% of high rise buildings in Greater Manchester have identified significant fire safety deficiencies relating to the construction or refurbishment. If this is representative of the national picture then in excess of 2000 high rise buildings are likely to be affected. The Government has made £600 million available for the remediation of less than 500 buildings identified as having ACM cladding. There is no available evidence to suggest that the remediation of other cladding types and fire safety failings will be less costly than the remediation of ACM cladding. The average cost for remediation of buildings in Greater Manchester (based on those where specifications have been produced) is just under £4million. This means that approximately 25% of the fund could be required to fund remediation of high rise buildings within Greater Manchester despite the region only having 5% of the estimated 11,000 high rise buildings.

The Task Force, GMFRS and others have repeatedly raised with Government that the risk is not restricted to buildings under 18 metres and this was demonstrated at The Cube in Bolton. The Government has not given any indication that buildings which are not high rise will be eligible to access the fund. It is unlikely that Warranty claims for removal of combustible cladding will be successful given that the current Building Regulations and Guidance in Approved Document B do not restrict the use of combustible materials in the external walls of buildings under 18 metres.

It is not clear if the fund is intended to meet the costs of remediation work for all affected social and privately owned blocks – it is imperative that the cost of remediating all buildings are covered irrespective of tenure. A failure to do so is likely to have catastrophic consequences for social landlords and a detrimental impact on all of their tenants.

### **What lessons should be learned from the administration of previous funding mechanisms?**

The Government must ensure that the fund is able to adequately cover the costs of ensuring the building is safe and not be restricted to the removal and replacement of particular products.

The Government should urgently consider providing advice and guidance on measures that may mitigate fire safety deficiencies and confirm that these may be funded through the scheme. For example, a number of buildings in Greater Manchester have identified that there is inadequate protection to the steel framework

and remediating this may not be possible or is cost prohibitive but the installation of sprinklers may adequately mitigate the risk and enhance the safety of residents.

The ACM Remediation Fund has proved problematic in relation to the requirement of a signed State Aid Declaration from all leaseholders. This poses a considerable administrative and management burden and has led to anxiety for leaseholders as to the implications if signed forms are not provided from all leaseholders. The Government should look at a simplified mechanism for this process.

There needs to be clear guidance as to whether there is still a requirement to undertake the statutory consultation process required by S20 of the Landlord and Tenant Act 1985 in relation to works that are funded and whether leaseholders who do not return State Aid Declaration forms or are not eligible for the assistance are liable for contributing to the costs of the work.

The Government must provide clarity in relation to the length of the fund and timescales for applications. In Greater Manchester as a result of the approach that has been taken, the majority of buildings have been assessed and deficiencies identified. However, as further information has emerged around the risks of particular products further assessments have been required and some buildings are still waiting for the completion of an assessment by a competent person due to lack of capacity in the industry. If the fund is to operate with a deadline for applications it is likely that some buildings will not yet be in a position to make an application to the fund.

The Private Sector ACM Remediation Fund Prospectus was published in July 2019 and remained open until the end of December 2019. The MHCLG monthly statistical bulletins indicate that a further 11 ACM clad buildings have been identified since the end of December. It is not clear whether the Remediation Fund remains open for these buildings.

### The EWS1 Form Process

Residents have raised concerns about the EWS 1 Form and difficulties in timescales for the completion of these and prioritisation of their building.

There is a lack of capacity in industry to undertake suitable assessments of high rise buildings and the cost of having this done is significant and currently falls to leaseholders. This is compounded by the lack of information held about buildings by managing agents caused by a failure to ensure there is any obligation to preserve and transfer information required to be provided on completion of a building under Regulation 38 of the Building Regulations.

The process reflects how industry concerns exceed the current focus of Government with the EWS1 Form requiring confirmation that there are adequate cavity barriers in place. This in many cases is likely to require intrusive surveys which are costly. Further, if issues are identified this inevitably leads to costly works being required for which there is currently no financial assistance and it has not yet been confirmed whether the Building Safety Fund will cover this work.

It is unclear why an EWS1 Form is only intended to be valid for five years and this should be examined as if no change is made to the building it is unclear why a further assessment would be required. This poses an ongoing financial obligation on leaseholders in private buildings as the cost of the assessment will be borne by leaseholders.

There is anecdotal evidence that following the publication by the Ministry of Housing, Communities and Local Government of the Consolidated Advice Note in January 2020 that EWS1 Forms are now being requested for buildings under 18 metres. This is likely to compound the delays already being experienced in obtaining a suitably competent person to undertake the assessments required by the EWS1 form and hinder access to mortgage products for a wider range of residents.

**Will the new External Wall Fire Review process for the valuation of high-rise properties be effective in improving access to buildings insurance and mortgage finance for leaseholders?**

There is no evidence to date that the EWS1 form is having a beneficial impact for leaseholders in improving access to mortgage products. The costs of ensuring that an EWS1 is completed fall to leaseholders and there is an apparent lack of suitably qualified and insured professionals to undertake this work.

The Government should work with mortgage lenders to explore alternatives and provide reassurance that the Building Safety Fund will be utilised to fund remediation works. Urgent steps must be taken to ensure that leaseholders can re-mortgage their homes and are not disadvantaged by being excluded from mortgage products.

The Government must take steps to clarify expectations in relation to buildings under 18 metres and ensure that funding is available to remediate these buildings where required.

**What additional challenges have been presented by the coronavirus pandemic and how might these be overcome?**

It is not clear at this stage how the current Covid-19 pandemic has impacted on the work to ensure the safety of buildings in Greater Manchester.

It is clear however, that this has further impacted on the mental health of residents who were already experiencing anxiety about the safety of their homes and the costs of meeting interim measures.

In March GMFRS wrote to all housing providers and managing agents confirming that where interim measures had been adopted in the form of a waking watch that this must continue and was considered to be essential work by the Government. In addition, information for residents was circulated to all housing providers and managing agents and disseminated through social media channels. This information included a link to the Government advice on Remediation and general fire safety advice.

It is likely that the current pandemic will delay the installation of fire alarm systems which provide a reliable and cost effective alternative to a waking watch due to difficulties in procuring works and the need to access individual flats.

The Mayor of Greater Manchester signed the Remediation Pledge produced by MHCLG in April 2020. The pledge has also been signed by the Leaders of Manchester City Council, Salford City Council and Trafford Borough Council. However, this recognises that remediation work can only continue where it can be done safely and therefore work will be delayed in some buildings.

There are at least two buildings where remediation work has been delayed as a result of residents being reluctant to allow contractors access to their homes.

### What more needs to be done

Despite clear evidence that the current system of Building Regulations is fundamentally flawed and doesn't adequately protect residents in high rise buildings and other residential accommodation. To date the Government has not made any changes to the current Building Control process despite the findings in the Hackitt Report and the results of its own work to test cladding systems and fire doors.

A co-ordinated approach needs to be taken which enables risk prioritisation and ensures that works can be carried out in a phased approach with funding made available for works to be undertaken to make buildings safe.

The Government must work with the Task Force and other stakeholders to develop solutions rather than its current approach which is to pass the problem on to housing providers, leaseholders and local services.

The current approach by Government to data collection is imposing an additional burden on many members of the Task Force and those who manage buildings and is diverting resources away from rather than contributing to ensuring buildings are safe.

The Government should act to ensure that all housing providers and in particular leaseholders are protected from the costs of making buildings safe as a consequence of a failed regulatory system.

# HIGH RISE TASK FORCE PARTNERS

