

GOVERNMENT HOPEES TO END UNSAFE CLADDING



FAST FACTS

- *The government hopes that a £5 billion investment will allow for the removal of unsafe cladding in all residential buildings that are 18 metres tall or more.*
- *The removal of unsafe cladding is a necessity in order to prevent future tragedies like the 2017 Grenfell Tower fire.*

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England's plans for removing unsafe cladding from high-rise buildings includes a new tax on large property developers and a proposal for a new developer levy, which would be applicable for firms planning certain types of high-rise structures.

The government has announced new funding that will help remove unsafe cladding from many residential buildings in England. The Housing Secretary hopes that the £5 billion investment will make these structures safer.

Background

This is an important step after cladding was found to partially be at fault for the tragic fire at Grenfell Tower in 2017, during which 72 people died. Panels made from plastic and aluminium were installed at Grenfell Tower to keep the building warm and dry. However, that cladding was found to have helped the flames spread after the fire broke out.

Given that hundreds of thousands of people currently live in buildings with similar materials, it's important that the cladding be removed. The aforementioned new government funds are intended to cover those costs and alleviate the potential financial impact on residents.

The Plan

The government has announced a five-point plan to end unsafe cladding, which includes the following steps or goals:

1. The government will completely pay for the removal of unsafe cladding in all residential buildings in England that are 18 metres tall or more.
2. A government-backed, long-term, low-interest financing arrangement will help buildings between 11 and 18 metres tall pay for cladding removal.
3. A new tax will raise at least £2 billion over 10 years to ensure that the largest property developers contribute to the removal process.
4. A new safety regime will be created in order to reduce the risk of incidents like the Grenfell Tower fire from occurring.

5. Confidence in the housing market, including that of lenders and surveyors, will increase.

The plan calls for a different funding approach in shorter buildings due to these structures carrying lower risk. The government has stated that no leaseholder will pay more than £50 each month towards the removal process.

In addition to the aforementioned new tax, the Housing Secretary also proposed plans for a 'Gateway 2' developer levy. This proposal would be applicable when developers plan to build certain high-rise buildings in the future.

The government is also working with the housing industry to reduce the need for external wall safety (EWS1) forms. These forms require a safety specialist to perform a check on a property. However, many residents and property owners have been unable to have their properties checked due to a shortage of qualified surveyors. As such, hundreds of thousands of people have been unable to sell or remortgage.

In Conclusion

Removal of unsafe cladding is a necessary step for the safety of both current and future residents. In addition, this process is intended to help property owners by boosting confidence in the housing market.

Still, it's possible that the government's funding could be inefficient. According to a June 2020 report by the Housing, Communities and Local Government Committee, the potential cost of addressing every fire safety defect in all high-risk residential buildings in England could reach £15 billion.

In Scotland, the government has committed to offering free safety assessments to determine where unsafe cladding may need to be removed. This is intended to pave the way for remediation using public funds. For more information, contact us today.