

HBF Policy Conference 2022

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Background

- Building safety has been HBF's key focus since the Housing Secretary's January announcement demanding 'a new deal with the industry'.
- HBF has engaged constructively while making it clear that builders are already making great practical and financial efforts to resolve the issue.
- Larger builders had already committed or spent around £1bn remediate the buildings they have built.
- Leaseholders should not have to fund remediation costs of their buildings, but neither should home builders shoulder the costs alone.



A new approach to building safety



- Government's initial demand on 10 January was for developers to remediate their own buildings and provide the funding necessary to remediate all other 11-18m buildings (estimated by DLUHC to be £4bn).
- Failure to comply would result in penalties that could prevent companies from trading. These powers were set out in amendments to the Building Safety Bill (now the Act).
- The 'Responsible Actors Scheme' gives Government the ability to restrict developers' access to Building Control and prohibit them from implementing planning permissions.
- The Act also makes developers responsible for fixing fire safety defects on schemes built in the last 30 years.



HBF strategy: Member engagement; project team; external support



As a consequence of the seriousness of this issue, HBF established a team internally to lead on discussions.

A working group of members was established comprising mainly of principals from the HBF's Major and Mid Cap Home Building Groups.

We also appointed a range of advisors to help us on legal, data collection, PR, and political issues.

All correspondence between DLUHC and HBF on these matters is published on the HBF website.



Building Safety Pledge

- Following months of negotiations, the Government announced on 13 April that over 35 developers (now 40+) had signed the Pledge.
- The Pledge commits signatories to:
 - Taking responsibility for performing or funding self-remediation works to address fire-safety issues on buildings of 11 metres and over that they have developed.
 - Withdrawing buildings they have developed over the past 30 years from the Government's Building Safety Fund and ACM Fund application process.
- It is broadly similar to the original proposal put forward by HBF on 25 February.
- The Housing Secretary also published a new letter to the construction products industry urging them to take the same approach as developers.
- Work is now turning to develop the long form agreements that implement Pledge commitments.



PAS 9980:2022

- Provides a methodology for assessing the external wall fire risk in multi-occupied residential buildings.
- All buildings developed or refurbished by those that sign up will be brought to the standard as articulated in the PAS9980 methodology to address any life-critical building-safety defect.
- The introduction of PAS 9980 combines with the withdrawal of the Consolidated Advice Note that was brought into force in January 2020.
- PAS 9980 announcement was intended to supersede the EWS 1 form first introduced in December 2019. That appears unlikely.



Next steps: Building Safety Levy

- The Government has confirmed plans to extend the Building Safety Levy to all new residential buildings, to raise 'up to a further £3bn' to cover the costs of remediating 'orphaned buildings'.
- HBF has written to the Government to express concerns about the impact a further tax will have on housing supply.
- The combined cost of the work to our own buildings, the corporation tax surcharge and the proposed levy will be around £8bn.

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Gove's quest to make builders pay built on shaky foundation

Cladding scandal: now it's time to go after the manufacturers

Housebuilders sign cladding safety pledge

Cladding tax will mean fewer affordable homes, say developers



Next steps

- Over the coming weeks and months, our focus will be on:
 - Working with DLUHC (supported by Linklaters) to develop the long form agreements that underpin the pledge.
 - Lobbying for a fair proportionate approach to the Building Safety Levy.
- Thank you to our members for their engagement and support throughout this process.





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