# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

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| **TITLE** | **Building Safety in Wales** |
| **DATE** | **23 January 2023** |
| **BY** | **Julie James, Minister for Climate Change** |

Building Safety is a priority for this government. I am as committed today as I have always been that leaseholders should not bear the cost of repairing fire safety issues that are not of their making. I expect developers to step up to their responsibilities and am prepared to explore all options, including legislation, to ensure this happens.

Today, I am pleased to share an update on our progress. In my Written Statement in October, I announced that eleven major developers had signed up to the Welsh Government’s Developers Pact. This represents a public commitment they will address fire safety issues in buildings of 11 metres and over they have developed over the last 30 years. These developers are Persimmon, Taylor Wimpey, Lovell, McCarthy and Stone, Countryside, Vistry, Redrow, Crest Nicholson, St Modwen, Bellway and Barratt.

The Pact is underpinned by formal legal documentation. I am pleased to confirm that this has been drafted and shared with the Home Builders Federation and we anticipate these developers will accept our terms shortly.

I am also pleased to report a number of developers have started remediation works in advance of signing, such as Bellway and Persimmon Homes, as I saw today when I visited Century Wharf in Cardiff.

There remains the question of what will happen to those ‘orphan’ buildings where the developer has gone out of business or cannot be identified.

Together with Plaid Cymru, we are developing the second phase of our programme of work to address fire safety risks on residential buildings of 11 metres and over in height. This will set out the plan for supporting orphan buildings across Wales and help identify what is required to remediate all buildings as quickly and efficiently as possible.

We have agreed to an initial cohort of six orphan buildings to be remediated to test our approach and ensure that buildings are made as safe from fire risk as possible. The work to identify this first cohort has started and I will make further announcements on the details of this first cohort of buildings in due course.

The route to accessing Welsh Government support will continue to be through our Welsh Building Safety Fund. This fund remains open for Responsible Persons to complete an Expression of Interest, which is the starting point for accessing support from the Welsh Government. I encourage all Responsible Persons to complete an Expression of Interest for their buildings as soon as possible. In the first instance, the fund allows for surveys to take place at no cost to leaseholders, offering information about fire safety issues, and providing EWS1 forms for those buildings where the risk of fire is low.

The survey work provides essential information and signposts where additional work is needed to address fire risk. It is therefore essential that Managing Agents and Responsible Persons ensure our consultants are able to access buildings as quickly as possible to undertake these works, rather than have access delayed by those who should be acting in the best interest of their leaseholders, residents and tenants.

In some cases, access to undertake survey work is difficult because of the location of buildings and the need to seek Local Authority permissions to close walkways and roads when work is undertaken. I would also like to encourage my colleagues in Local Authorities to ensure these licenses and permissions are granted as quickly as possible to minimise delays on this vital work.

Alongside the work to address fire safety issues, we also need to ensure that our building control regime is fit for purpose. Together with Plaid Cymru, work is currently underway to implement the first phase of our design and construction transition plan bringing into force the legislative changes necessary to rectify identified problems within the current building control regimes. This phase is bringing in more stringent regulation of the building control profession i.e. building control approvers, building control inspectors and local authorities exercising building control functions. This provision will also change who can advise on, and carry out, certain building control work, with the purpose of improving competence levels, transparency and accountability in the building control profession. This is to make sure that only individuals who have demonstrated the relevant competence are advising decision-makers before important building control decisions are taken.

The key changes we will be making are:

* The creation of registers for all Building Control Inspectors and Building Control Approvers
* All Building Control Inspectors must be registered and meet competence criteria to be able to provide advice to Local Authorities or private building control bodies
* Private building control bodies, currently known as Approved inspectors must register, as building control approvers, to continue to undertake building control work on non-Higher risk Buildings.
* Only Local Authority Building Control will be able to be the building control authority for buildings meeting the criteria for Higher-risk Buildings.

Transitional arrangements are being developed and will be part of the next set of consultations. Please be aware that we are likely to be opening up the registration process in October this year with a view of moving to the new regime from April 2024.

Despite the positive moves made by developers, and other progress, I appreciate that these works will not come soon enough for some leaseholders who face financial hardship as a result of fire safety issues in their homes. In June last year I launched the Leaseholder Support Scheme with a commitment that I would continue to review the eligibility criteria to ensure those in greatest need would benefit from the scheme.

The recent cost of living crisis has created an untenable situation for many, and I am determined that the support offered through the Leaseholder Support Scheme takes into account these issues. As was the case previously, the scheme provides access to free independent financial advice for relevant leaseholders and, if it is right for the household and the eligibility criteria are satisfied, the option for them to sell their property and either rent back their home or move on.

Following the completion of a review I have instructed officials to amend the eligibility criteria of the scheme in two fundamental ways.

The first is to amend the assessment of financial hardship to take into account the rising cost of energy. This is vital as it will increase recognition of those in significant financial hardship as a result of the recent increases to the energy price cap and will allow more people to access the scheme.

The second fundamental change is to remove the Displaced Residents clause. Previously, to be eligible for the scheme, leaseholders had to either be residents, or be residents forced from their property due to changing circumstances. By removing this criterion, the scheme is now opened to leaseholders who have purchased properties as an investment, such as pensioners, or those who have received the leasehold through an inheritance.

The support offered by this scheme will help more leaseholders in financial hardship receive the support they need.

Ultimately, the best and right solution to help leaseholders and residents of medium and high-rise buildings (those of 11 metres and more) is to address fire safety defects. This brings a significant challenge in assessing what the right solutions are and what standard of works are needed to both address life critical fire safety issues and the requirements of lenders and insurers.

In January last year a new documented code of practice was developed and launched by the British Standards Institution (PAS 9980:2022). The document sets out a methodology for professionals to undertake Fire Risk Appraisals of External Walls. I will be testing this through the establishment of a task and finish group of sector financial and technical experts to ensure we provide safe homes which can be affordably insured and confidently used as a financial asset. This continues and extends our work with the finance sector on matters of fire safety.

We know that properties affected by fire safety issues have struggled to obtain mortgages, but we are making significant progress towards addressing this issue and giving the finance sector assurances they require.

At present, lenders operate on a case-by-case basis in Wales, and we are working closely with the Royal Institution of Chartered Surveyors and UK Finance Ltd to ensure the recent announcement for England, which confirmed six lenders who were prepared to offer mortgages on buildings affected by fire risk, will similarly be considered on properties in Wales of 11 metres and over, which are covered by our agreements with developers and the Welsh Building Safety Fund.

We have also recently launched a Building Safety Strategic Stakeholder Group. The Building Safety Stakeholder Group will act as a strategic, independent advisory group for Welsh Government on matters relating to, and under the jurisdiction of, the Welsh Building Safety Programme.

Stakeholder engagement is at the core of my approach to ensure our policy development for building safety is informed, effective, robust and based on clear evidence. Obtaining the expert views, leaseholder perspective, advice and support of our stakeholders is critical to the successful delivery of our Building Safety Programme. We have also issued invitations to expand the leaseholder representation in the Group, to ensure we capture their views and lived experience on this matter.

I am therefore very pleased that following the first recent meeting positive and valuable discussions were made. I look forward to future meetings to obtain the expert views, advice and support from our stakeholders which is critical to the successful delivery of our Building Safety Programme.