



Department for Levelling Up, Housing & Communities

Peter Caplehorn
Chief Executive
Construction Products Association

Rt Hon Michael Gove MP
*Secretary of State for Levelling Up, Housing and
Communities*
Minister for Intergovernmental Relations

Department for Levelling Up, Housing and Communities

4th Floor, Fry Building
2 Marsham Street
London SW1P 4DF

Email: michael.gove@communities.gov.uk

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GOVERNMENT APPROACH TO BUILDING SAFETY

As you will be aware, the Government has reset our approach to building safety. As I set out to the House of Commons on 10 January, the industry who caused the crisis will now pay to fix it instead of innocent leaseholders.

I have already written to and met with major UK property developers setting out the contributions they will need to make to fund the remediation of medium rise buildings, which we currently estimate to be £4bn, as well as to fix the buildings they are responsible for constructing. I am writing to you to set out the contribution that cladding and insulation manufacturers will need to make to fixing the crisis.

My starting point is that it is clearly unjust that innocent leaseholders should be landed with bills to remove cladding products from their buildings they had no reason to suspect were dangerous. The range of past practices in the industry – across its approach to manufacturing, marketing and testing – has rightly been a source of huge concern to Parliament and the public. Without prejudicing the results of the Grenfell Inquiry, there is no doubt that the documentary evidence that has been published relating to the culture and practices of major cladding and insulation manufacturers has been extremely alarming.

There are a number of cladding and insulation companies whose products or services have contributed to the need for remediation of 11m+ buildings on fire safety grounds. I am offering a window of opportunity, between now and March, for the sector to work with my department through open and transparent negotiations to agree a settlement that will restore confidence and secure an appropriate contribution from the sector.

A new deal must include a clear commitment from the sector that they agree to make financial contributions in this year and in subsequent years as we have already asked developers to do. The total contribution from the cladding and insulation sector must represent a significant portion of the total remediation costs, caused by the dangerous products sold by some of your members. The current estimated cost to remediate unsafe cladding on 11-18m and over 18m buildings is £4bn and £5.1bn respectively.

I note that from publicly available sources profits made in the four years after the Grenfell Tower tragedy by just the UK arms of the three cladding and insulation firms most closely associated with the refurbishment of the Grenfell Tower total over £700m. The cladding and insulation sector has an unquestionable responsibility for contributing to the remediation of their unsafe cladding products and must now come forwards with proposals to account for this.

Any deal must also include a commitment to provide comprehensive information on all buildings over 11m which have historic fire-safety defects to which these companies have supplied products or services.

I will schedule a meeting to open discussions shortly. My officials in the interim will send more detailed requests for additional data regarding the products sold across the industry, and I expect full cooperation on this. I will also be working closely with leaseholders and those affected by the Grenfell Tower tragedy throughout this process and will bring them to the table to assess and discuss solutions at appropriate junctures.

Your industry's contributions will sit alongside the significant financial provision Government has already made for remediation costs, through its ACM remediation programme and the Building Safety Fund.

I expect a public funding commitment from your sector by early March, which would be made available to the public and to affected leaseholders.

I am sure you are as committed as I am to fixing this broken system, and I hope we can work together to do that. But I must be clear, I am prepared to do whatever it takes to deliver our objective including using our regulatory framework to limit any culpable company from operating and selling products in this country in the future; and I will pursue those individuals and firms liable for building defects who are unwilling to do the right thing now. There is no future for those companies and directors who are not fully committed to upholding the safety of residents and fixing past wrongs.

Our home should be a source of security and pride. For too many of the people living in properties your industry's products helped build in recent years, their home has become a source of misery. This must change.

I would be grateful if you can share this with your members and look forward to working with you over the coming weeks to deliver a just deal for industry, leaseholders and the taxpayer.

With every good wish,

Rt Hon Michael Gove MP
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and Minister for Intergovernmental Relations