

Our Reference: 1503/PLC

15 March 2022

The 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

Re: The Approach to Building Safety

Dear Minister:

Following your initial correspondence of 22 January 2022 outlining your request of our industry to provide a proposal(s) for advancing funding of the cladding remediation on buildings between 11 and 18 metres, the CPA has been frequently consulting with your Residents' Voice and Levy team, our membership and the wider supply chain community. I wanted to update you on the status of that work and share a number of observations relevant to any scheme brought forward to tackle the issues of funding and remediation. I also wanted to reaffirm our willingness to work with you and your team to help bring about solutions to those issues and the wider building safety concerns.

First, there is widespread agreement that the owners and occupiers of dwellings in these buildings should not be faced with bills stemming from an assessment that they have unsafe cladding.

Equally, the concept of a "polluter pays" model also has widespread support. We are aware of several companies, including our members, committing publicly to pay for remediation where they are responsible for the issues.

There is, however, concern over a number of other key issues:

- The number of dwellings affected is unclear. There are estimates from various sources that differ considerably and whilst work is ongoing to establish an accurate understanding, even a clear approximate figure is currently unavailable. We note that, per your correspondence, we are encouraging product manufacturers involved in the supply of cladding and insulation products to voluntarily provide a list of IIm+ projects where these have been supplied.
- The accuracy and evidence of the original assessment of unsafe cladding is being questioned. There is also broad acknowledgement that some assessments may be overzealous and disproportionate, calling into question what remediation is actually needed in each case. This may substantially affect the amount of resources required.
- As a result of the lack of clear information, it currently appears that the sums initially requested (£4 billion) by Government to account for funding the remediation of cladding and insulation cannot be accurately derived or verified at this time.
- Further to that point, we have been unable to clarify the Government's clear expectations about what it exactly deems an "appropriate contribution" from manufacturers to a remediation fund, nor exactly which manufacturers will be involved, in addition to contributions from other parts of the supply chain.

- The Government's March-end deadline appears critically short given so many fundamental, unanswered questions. We share the ambition to relieve impacted leaseholders as soon as possible, but fear a premature solution will prove ineffective and undermine confidence both amongst those leaseholders and industry.
- The position of valuers and lenders, which is also critical to helping address the situation for affected homeowners and leaseholders, may be based on inaccurate information. At the very least, any remediation programme needs to be progressed with their full agreement, knowledge and understanding. This will be vital to ensure that normal housing market conditions will resume for those currently affected. In pursuit of this aim will be future use of PAS 9980 and the approach towards the EWSI form.

While the necessary focus is on cladding and insulation there are three important caveats:

- Initial conversations focus on cladding and insulation 'similar to that installed on the Grenfell Tower'; however, we suggest that clarity over the exact form of cladding and insulation is also vital to ensure a clear focus and build confidence in dealing with the real issues and achieving a solution.
- A manufacturer always has the responsibility to ensure their product is fit for the correct, intended purpose. In addition, just as critical is that, in the design, procurement, construction and maintenance of any building there will have been a complex set of interactions leading to the final built asset. In any one example a significant number of decisions are made that affect the products used (and importantly the products rejected) as well as the groups of products assembled together, the quality of the installation and in some cases the proper maintenance. This may radically and crucially change the performance of any individual product. As a result, poor design, procurement and construction, may lead to 'safe' individual materials and products used inappropriately to form a system of components that is either 'unsafe' or incorrectly installed, making them 'unsafe'.
- In addition, the CPA has long advocated (prior to these specific discussions with your office) that a wider remit of works must be considered – beyond simply cladding and insulation – in order to ensure that every one of the buildings in question is made fully safe for leaseholders.

Finally, it must also be recognised that the capacity of the sector to undertake further remediation work is currently constrained. The 18 metre plus programme is already absorbing a significant proportion of resources in the whole construction supply chain, both for labour and products. There remains a shortage of skilled construction workers at every level. UK construction is also experiencing a wide problem with obtaining insurance to enable contractors to undertake new work. The war in Ukraine is also adding to existing product shortages and inflationary pressures. For expedient remediation, all these issues will need to be understood and, if possible, factored into any work programme.

The CPA's position

The CPA was asked by Government to use its experience, expertise and knowledge of firms in the products industry and across the supply chain to identify and communicate where the issues and potential solutions may lay. Our aim throughout has been to ensure that Government and industry are as clear as possible so that issues for both are highlighted and that potential solutions are proportionate, practical to implement and with as few unintended consequences as possible.

At this point in time, the construction supply chain has made it clear to the CPA that, given the aforementioned uncertainties and lack of clear information, a consensus is lacking for any model of remediation funding beyond a "polluter pays" model that is limited to the cladding and insulation sector. Once key information and clarification can be provided as set out above, we can assist the Government further in this endeavour.

The bad practices and poor behaviours highlighted in the Grenfell Inquiry must be addressed by everyone in the construction supply chain, including product manufacturers. To that end, for over four years the CPA has been heavily focused on work to ensure such practices and behaviours are consigned to the past.

We look forward to continuing to work with you and your officials in assisting in whatever way we can in an open and transparent way to ensure all buildings, particularly homes, are safe both now and in the future.

Yours Sincerely,



Peter L Caplehorn,
Chief Executive

cc: Richard Goodman (Director General, Building Safety, Grenfell and Net Zero, DLUHC)