

Government should publish a target date for ending cladding remediation

2 years ago



Publishing a target date for the completion of dangerous cladding remediation works and providing greater transparency on remediation performance are two key recommendations arising from a new [National Audit Office](#) report.

The UK's independent spending watchdog's recommendations feature in its first report on the government's remediation portfolio since five different programmes were brought together into a single portfolio in 2023. The NAO's report follows the publication of the Grenfell Inquiry in September, which examined the root causes of the fire in June 2017 that resulted in the deaths of 72 people.

The NAO examines how well MHCLG is maximising the identification of unsafe buildings, driving progress with remediation works and managing taxpayers' exposure to related costs.

The government has significantly changed the types of buildings within scope for its programmes, and its approach to remediation, as the scale and impact of the cladding problem has become clearer. It now has programmes to address dangerous cladding for all the estimated 9,000 to 12,000 buildings over 11 metres it considers need remediating.

There has been a substantial increase in remediation activity since the NAO's 2020 Investigation into remediating dangerous cladding on high-rise buildings. So far, 4,771 buildings have been brought into the portfolio, but it is taking longer than expected to identify the remainder, and some may never be identified. With a potential 7,200 buildings or more (up to 60%) still to be identified, many people still do not know when their buildings will be made safe, contributing to resident's suffering significant financial and emotional distress.

While building owners are responsible for fixing their buildings, engagement with government's grant programmes is voluntary. As the NAO previously reported, incomplete building records, construction materials that differ from those on plans, and difficulties tracing owners can make identifying affected buildings difficult.

Seven years after Grenfell, 98% of estimated high-rise buildings (over 18 metres) with dangerous cladding are in the portfolio. Mandatory registration of high-rise buildings under the Building Safety Act 2022 is helping to identify any that remain.

There is no mandatory registration for (more numerous) medium-rise buildings (11 to 18 metres), and the Department understands some building owners may be reluctant to engage for fear of uncovering problems out-of-scope for government funding, and others can lack the time and knowledge to navigate the process.

Of the 4,771 medium-rise buildings in the government's portfolio – the equivalent of 258,000 homes – remediation work has yet to start on over half, is in progress for a fifth, with around one third complete. Of all 9,000-12,000 potentially in scope, work is complete for only 12-16%.

The report found, in total, it will cost an estimated £16.6 billion to fix unsafe cladding on all buildings over 11 metres in England. MHCLG expects to provide £9.1 billion of this, with the remainder funded by developers who have agreed to remediate buildings they developed, private owners or social housing providers.

To keep taxpayer contributions within a £5.1 billion cap over the long-term, MHCLG plans to recoup £700 million through refunds from developers for remediation works the taxpayer has already funded, and around £3.4 billion from a new Building Safety Levy. The Levy will be paid by developers on new developments, though MHCLG is yet to confirm payment mechanisms. It does not expect to introduce the levy until autumn 2025 at the earliest.

In 2023-24 there were potential losses of over £500,000 (paid to one applicant) through fraud, which has led to the Department reviewing its counter-fraud structures and developing plans to improve fraud management of the Building Safety Fund.

MHCLG acknowledges there may be overlaps between its remediation programmes and wider government priorities, from decarbonisation to building new homes, and the NAO report found MHCLG needs to do more to ensure that policies are not working at cross-purposes.

As MHCLG and other bodies investigate buildings at risk, they are gathering data about buildings on a national scale, which may support future government priorities, such as net zero ambitions.

Gareth Davies, head of the NAO, said: "Seven years on from the Grenfell Tower fire, there has been progress, but considerable uncertainty remains regarding the number of buildings needing remediation, costs, timelines and recouping public spending. There is a long way to go before all affected buildings are made safe, and risks MHCLG must address if its approach is to succeed.

"Putting the onus on developers to pay and introducing a more proportionate approach to remediation should help to protect taxpayers' money. Yet it has also created grounds for dispute, causing delays.

“To stick to its £5.1 billion cap in the long run, MHCLG needs to ensure that it can recoup funds through successful implementation of the proposed Building Safety Levy.”