



Ministry of Housing,
Communities &
Local Government

Catherine West MP
House of Commons
London
SW1A 0AA

Lord Greenhalgh
*Minister of State for Building Safety, Fire and
Communities*

**Ministry of Housing, Communities and
Local Government**
Fry Building
2 Marsham Street
London
SW1P 4DF

Tel: 0303 444 3672
Email: stephen.greenhalgh@communities.gov.uk

www.gov.uk/mhclg

Our Ref:9113750
Your ref:ZA8606

Dear Cat,

8 October 2020

Thank you for your letter of 7 September to the Rt Hon Christopher Pincher MP on behalf of your constituents, about the EWS1 form. I am responding as Building Safety Minister. I apologise for the delay in responding.

I would like to thank you for writing in on this important issue. I appreciate the difficult and distressing position that many leaseholders have found themselves in through no fault of their own.

I am aware that concerns about cladding and external walls systems have had an effect on the mortgage valuation process. The Government is working with industry to understand the scale of the problem. Since December last year, mortgage valuation surveyors have been able to use the EWS1 form produced by the Royal Institution of Chartered Surveyors (RICS) to manage valuations on high-rise residential buildings. The EWS1 form is not a Government document, and there is no agreement between Government and RICS stating that a building owner must produce an EWS1 form.

I am also aware that this form is now being used across industry as part of the valuation process. Government is aware that some lenders are requesting RICS EWS1 forms for all properties, which is not what the form was designed for. We recognise the difficulties that some homeowners are facing, and we are working with the lenders to support a proportionate approach and explore other evidence that might assist the valuation process. We do not support a blanket approach to the use of EWS1 forms on buildings and ask that common sense is used. Where building owners are able to demonstrate their buildings are safe using other equivalent evidence, we would encourage lenders to accept that for valuation purposes.

The Royal Institution of Chartered Surveyors (RICS) is leading efforts to devise an approach to apply reasonable and proportionate valuation judgement to buildings under 18 metres. To support this work, I held a roundtable with mortgage lenders in June, where lenders agreed that nuanced, proportionate approach to risk was required. They are reflecting this in their policies and guidance to valuers. At a further roundtable in July, some lenders said they would be open to other evidence of the likelihood for value-affecting building safety matters. We are helping lenders to understand this in greater detail.

We are aware of a shortage of professionals available to do this work. My Department is working with industry in a number of ways to help ensure that fire engineers can play the part they should

in advising on the safety of high-rise and other complex buildings. Ministers and officials are regularly engaging with representatives from the insurance industry to help find a solution to this issue.

Officials at my Department will also work with colleagues at the Home Office and professional bodies such as the Institution of Fire Engineers, the Fire Sector Federation and the Fire Industry Association to ensure there is a pipeline strategy to ensure this essential work can be scaled up, at pace.

We are also aware that many construction professionals have experienced challenges in accessing adequate Professional Indemnity Insurance. This has been a particular concern for fire engineers who are crucial to assessing fire safety both in historical and new high-rise residential buildings. The insurance industry has recognised this as an issue, and we are considering potential solutions.

Your constituents have raised concerns about the provisions made in the Building Safety Bill for the cost of paying for remedial works and repairs. The new regime being introduced through the Building Safety Bill will put residents at the heart of the new, more stringent system of building safety, with clearer accountability for, and stronger duties on, those responsible for the safety of buildings in scope. It will give residents a stronger voice in the system, ensuring their concerns are never ignored and they fully understand how they can contribute to maintaining safety in their buildings.

The Bill includes provisions to exclude some costs from being recovered from leaseholders via the Building Safety Charge and for those costs which are recoverable to be subject to certain restrictions. Costs will normally only be recoverable to the extent that they are reasonably incurred, have been subject to a timely demand, and have been subject to prior consultation where required.

There are also additional specific exclusions, and the Secretary of State will have the power to prescribe additional costs to be excluded via secondary legislation. We are committed to making sure that leaseholders won't pay unaffordable costs for historic repairs to their buildings. We will be working to further develop protections for leaseholders over the summer while the draft Bill is being scrutinised.

With regards to individual leaseholders, the lease contract for their property will set out who is responsible for particular expenses. Leaseholders can access specialist advice for help to understand her rights through the Leasehold Advisory Service (LEASE). LEASE can provide independent, free, initial advice to leaseholders on building safety issues to ensure they are aware of their rights and are supported to understand the terms of their leases. More information on LEASE, including how to contact them for advice, is available here:

<https://www.lease-advice.org/>.

Thank you again for your email and I hope your constituents find this information useful.

Yours ever,


LORD GREENHALGH