



Richard Goodman
Director General
Department for Levelling Up, Housing & Communities
2 Marsham Street
London SW1P 4DF

9 February 2022

Dear Richard

I am writing on behalf of HBF's members in reply to your letter of 3 February 2022 on building safety.

We appreciate your acknowledgement of the industry's rapid engagement on this matter over the past few weeks.

We remain fully committed to the principle that leaseholders should not have to pay for necessary remediation costs arising from the design or construction of buildings they live in and we want to work constructively with you to achieve this.

HBF estimates that our members have already spent or committed at least £1bn to remediate buildings they built where issues have been identified. In addition, they, and we, engaged constructively with HM Treasury on the "cladding tax" (Residential Property Developers Tax) that will raise up to £3bn more from UK home builders in addition to the sums to be collected by DLUHC through the Building Safety Levy.

Over the past 18 months HBF has encouraged Government to take a more active role in creating the conditions to support remediation of buildings and since 10 January 2022 we have worked intensively with our members and with officials to address the clear lack of information available regarding the extent of the cladding remediation challenges.

I note from your letter, the Department's continued eagerness to 'better understand the overall remediation demand and scale of contributions being made and required' and I am grateful to our members for their work to assist you on this. I understand that, at considerable pace, the 20 or so home builders DLUHC sought information from on 21 January have provided you with their returns covering decades-worth of construction and which have been the result of several years of investigation and remediation work to date. I understand the smaller scale developers you subsequently engaged with are now also providing the Government with the required information. I expect the information provided by HBF's members will confirm that a very small proportion of buildings requiring remediation have been constructed by UK home builders, and how few of our members have ever built above 11 metres.



I believe this represents a strong indication of the seriousness with which UK home builders take this matter – we are committed to helping move things forward and resolving the matter for leaseholders. In the spirit of transparency, I hope that DLUHC will be able to share with the industry the aggregated returns and conclusions from this data gathering exercise. It is vital that after all this time we collectively gain a proper and comprehensive understanding of the problem.

To that end, I would like to assure you that we are working tirelessly with members to provide responses to the matters you raise in your latest letter dated 3 February 2022. However, I'm sure you will appreciate that four working days simply does not leave the industry with enough time to provide a complete response to all of the significant requests that you have outlined.

Our intention through this process is to work in good faith to provide genuine assistance and help alleviate the pressures on leaseholders who have not created these issues and should not have to bear the cost of resolving them. We commit to writing to you with a substantive response to the points that you raise by 25 February 2022.

I understand that your parallel discussions with product manufacturers are continuing and hope to hear more on this in the days ahead. Similarly, I would continue to encourage discussions with building contractors and freeholders as well as the wider property development sector which also forms a significant part of the residential apartment market.

Thank you for the Government's renewed attention on this matter. We look forward to continuing discussions over the coming days.

Yours sincerely

A handwritten signature in black ink that reads "S.A. Baseley". The signature is written in a cursive style and is underlined with a single horizontal stroke.

Stewart Baseley
Executive Chairman