

Major intervention from government and lenders to support leaseholders

- Advice from independent expert group finds there is no systemic risk of fire in blocks of flats under 18 metres
- States that residents need to be reassured on safety and recommends an urgent move to a proportionate approach to low and medium-rise buildings
- Following the expert advice, government sets out that EWS1 forms should not be requested for buildings below 18 metres
- Major lenders welcome the move, paving the way for EWS1 forms to no longer be needed, which should free leaseholders from cost and delay and provide confidence to the housing market

Leaseholders in blocks of flats with cladding should be supported to buy, sell or re-mortgage their homes after the government agreed with major lenders to pave the way to ending the need for EWS1 forms. It comes following expert advice that the forms should no longer be needed on buildings below 18 metres.

The announcement by Housing Secretary Robert Jenrick today (21 July 2021) follows new advice from fire safety experts that the government commissioned earlier in the year to investigate risk in medium and lower-rise buildings, which makes clear that there is no systemic risk of fire in these blocks of flats.

The report recommends that residents are reassured as to safety, and a more proportionate approach is urgently instituted, requiring action by all market participants.

A group of major high street lenders has committed to review their practices following the new advice; HSBC UK, Barclays, Lloyds Banking Group and others have said that the expert report and government statement paves the way for EWS1 forms to no longer be required for buildings below 18 metres and will help further unlock the housing market.

The government welcomes their support but is now calling on others to demonstrate leadership by working rapidly to update guidance and policies in line with the expert advice.

The expert advice was commissioned by the Secretary of State after witnessing what Dame Judith Hackitt, Chair of the Independent Review of Building Regulations and Fire Safety, has described as extreme risk aversion, which has left leaseholders across the country receiving costly bills for remediation that is not necessary.

It states that fire risks should be managed wherever possible through measures such as alarm systems or sprinklers, and that the overwhelming majority of medium and low-rise buildings (those under 18m) with cladding should not require expensive remediation.

The intervention is designed to reduce needless and costly remediation in lower rise buildings and is part of wider efforts to restore balance to the market, helping flat owners to buy, sell or re-mortgage homes.

Risk to life in blocks of flats remains very low. The number of fires in homes in England has been on a general downward trend for many years, reaching an all-time low last year. 91% were in houses, bungalows, converted or low rise flats, while only 9% were in blocks of flats of four storeys or more.

The government is already fully funding the cost of replacing unsafe cladding on all buildings over 18 metres, through the unprecedented £5 billion Building Safety Fund, and has been clear with building owners, lenders and the industry throughout that they must take a proportionate response to fire safety and enable homeowners to get on with their lives.

Today's announcement – outlined by the Secretary of State during the second reading of the Building Safety Bill – demonstrates that the industry should now be actively taking an evidence-based approach to fire safety.

The move has been backed by the National Fire Chiefs Council and the Institution of Fire Engineers.

Housing Secretary Robert Jenrick said:

Today's announcement is a significant step forward for leaseholders in medium and lower-rise buildings who have faced difficulty in selling, anxiety at the potential cost of remediation and concern at the safety of their homes.

While we are strengthening the overall regulatory system, leaseholders cannot remain stuck in homes they cannot sell because of excessive industry caution, nor should they feel that they are living in homes that are unsafe, when the evidence demonstrates otherwise.

That's why I commissioned an expert group to further examine the issue, and have already agreed with many major lenders that lower-rise buildings will no longer need an EWS1 form, and the presumption should be that these homes can be bought and sold as normal.

We hope that this intervention will help restore balance to the market and provide reassurance for existing and aspiring homeowners alike. The government has made its position very clear and I urge the rest of the market to show leadership and endorse this proportionate, evidence based, safety approach.

There is a longstanding legal duty on the Responsible Person for all purpose-built blocks of flats to have an up-to-date fire risk assessment. Moving forward, where the Responsible Person has identified fire safety issues they

should update their fire risk assessments to determine any actions required. This could include measures such as installing sprinklers or alarms and in exceptional cases, remediation to ensure buildings are safe and people feel safe.

To help with this, new guidance for the risk assessment of external wall systems will be introduced. The PAS9980 will ensure that fire risk assessments are consistent, proportionate to risk and actions to manage risk are cost-effective, and the Consolidated Advice Note will be withdrawn.

For buildings under 18m which do require remediation, the government will introduce a financing scheme so that no leaseholder will have to pay more than £50 a month for the cost of replacing unsafe cladding. Further details of this scheme will be set out in due course.

Welcoming the support from the fire safety profession and from major lenders, Dame Judith Hackitt said:

I am pleased to see the support and commitment to returning to an evidence-based proportionate approach to fire and building safety. It's critical, given the significant – and in many cases unnecessary – impact this is having on people who live in and own homes in blocks of flats.

What's needed now is for the remaining bodies and lenders to get onboard so we have a collective, fact-based system that is reflective of the reality of the situation and reassures leaseholders that they, their homes and their investments are safe.

CEO of the Institution of Fire Engineers, Steve Hamm, said:

The IFE supports the expert statement issued today. We expect this will lead to a significant reduction in the demand for the EWS1 process from mortgage valuers, particularly for buildings under 18m in height.

Today's statement will support competent fire engineers to use their professional training, judgement and expertise to assess buildings based on professional appraisal of risk. This should enable a move away from the often risk-averse and overly cautious approach that has been seen in many cases.

We welcome the commitment of all parties to ensure a proportionate and evidence-based approach to fire and building safety for all buildings along with the increased scrutiny to be provided by the new Regulators and the gateway approval process, which we expect will lead to improved levels of safety, providing comfort and reassurance for residents and homeowners as well as the wider market.”

Chair of the National Fire Chiefs Council (NFCC), Mark Hardingham said:

“We fully support this new advice and welcome the challenge to those who are applying an overly risk-averse approach in many buildings below 18 metres. We expect this will start to redress the balance where disproportionate measures have been put in place to manage fire risks. We want to ensure that buildings are safe and will work closely with fire and rescue services to apply the advice for buildings in their area.”

The government has also set out plans for developers of high-rises in England to contribute to the cost of remediating safety defects in a major step towards ensuring industry contributes to righting the wrongs of the past.

A consultation published today outlines that the levy will be applied when developers seek permission to build certain high-rise residential buildings of 18 metres or more in height.

The money recouped would contribute towards fixing historic fire safety defects, including unsafe cladding, protecting leaseholders and taxpayers from shouldering the burden of remediation costs.

The government is calling for views on the proposed design of the levy, which was first announced earlier this year as part of multi-billion-pound package to fix unsafe cladding on high-rise residential buildings, alongside wider financial and regulatory support.

The government has also confirmed today that the Building Safety Fund will reopen for applications in Autumn for any eligible buildings that missed the original deadline in June, with more details to be published in the coming months.

The expert group members are:

- Dame Judith Hackitt, Chair of the Independent Review of Building Regulations and Fire Safety
- Sir Ken Knight, Chair of the Independent Expert Advisory Panel on building safety following the Grenfell Tower Fire
- Ron Dobson, former London Fire Commissioner
- Roy Wilsher, adviser on fire reform, former Chief Fire Officer.

Read the [statement from the group](#).

Read the [government's statement](#).

Very few fires spread from the room where they start. In 2019/20, 7% of fires spread beyond the room of origin in blocks of flats over four storeys, compared with 9% in blocks below four storeys and 14% in houses, bungalows, converted flats and other dwellings.

Find the [developer levy consultation](#).

The government has also today published the [Building Regulations Advisory Committee working group report](#) which sets out the definition of the 'golden

thread' and how industry can support the government in delivering safer buildings.

As part of the strengthened regulatory system set out in the Building Safety Bill, all high-rise residential buildings will have to have a golden thread of information, which will capture and protect all relevant safety information relating to the building.

The golden thread was a recommendation by Dame Judith Hackitt and will be used by the people responsible for the building to demonstrate its safety to the regulator throughout its life-cycle.

Full statements from lenders:

HSBC UK

We welcome the statement from experts on building safety and note the assessment from the parties to the statement that there is no systemic risk from fire in medium and lower rise blocks of flats. Our expectation is that the existing consolidated advice note will be removed and, with the endorsement from IFE, this means we will no longer require EWS1 forms for buildings below 18m, and consequently RICS guidance will be updated in line with this advice. We look forward to these changes being reflected in valuations from our RICS qualified partners and remain committed to supporting affected homeowners.

Barclays

We have seen and support the statement from experts on building safety and accept their assessment that there is no systemic risk from fire in medium and lower rise blocks of flats. This should remove the need for EWS1 forms for mortgage applications in any block below 18 metres. Our approach to mortgage lending and valuation has been and will remain proportionate, relying on the normal statutory process for blocks of flats having an up-to-date fire risk assessment to assure residents' safety.

Lloyds Banking Group

We welcome the government's statement on fire safety in multi storey apartment blocks and specifically its declaration, based on advice from relevant experts on building safety, that there is no systemic risk from fire in medium and lower rise blocks of flats. In particular, we welcome the government's pledge to withdraw its consolidated advice note. We look forward to working with RICS as they update their specialist guidance, which should provide the certainty everyone needs. We also look forward to seeing the

details of the government loan scheme that will provide residents support if they need any cladding-related remediation. We expect the government's action will help further unlock the housing market.