



Ein cyf/Our ref: JJ/PO/94/2023

27 March 2023

Good morning,

I am pleased to share a significant progress update on the series of actions we are taking as part of the Welsh Building Safety Programme.

Together with Plaid Cymru, we are committed to addressing building safety in Wales.

Our ambitious programme to address fire safety issues in medium and high-rise residential buildings will ensure residents feel safe and secure in their homes.

I have always maintained the position that the industry should step-up to their responsibilities in matters of fire safety. Developers should put right fire safety faults at their own cost or risk their professional reputation and their ability to operate in Wales in the future.

Legally Binding Developer' Pact

In October, I announced 11 developers had signed up to the Developers' Pact. The Pact represents a public commitment of their intention to address fire safety issues in buildings of 11 metres or over that they have developed over the last 30 years.

Our Pact is underpinned by legally binding documentation that sets out our expectations in detail. I am pleased to confirm that the following developers have signed this legally-binding documentation in Wales - Redrow, Lovell, Vistry, Countryside, Persimmon, Taylor Wimpey, Barratts, Crest Nicholson and McCarthy Stone.

I am pleased that Bellway have also confirmed their intent to sign.

But I have made it clear I will take every opportunity, including legislative reform and considering prohibitions on development, to ensure developers step up to their responsibilities.

Here in Wales, I am determined to take every opportunity I can to protect leaseholders.

That is why I have provided direct funding for surveys to be carried out, using a consultant procured by the Welsh Government. This means we have independent and consistent reporting, which sets out where responsibilities for any fire safety issues lie.

It is my intention, that where a genuine dispute arises, the Welsh Government will intervene, rather than have these costs fall to leaseholders. In our view, that is the fair way – the Welsh way.

Also unique to Wales, is that our fund is not limited to buildings with unsafe cladding. The Grenfell fire tragedy highlighted the wider issue of fire safety more generally in high-rise buildings. We invite Expressions of Interest from Responsible Persons for **all** residential buildings of 11 metres or over in height.

However, on the issue of cladding, all high-rise buildings with known Aluminium Composite Material (ACM) cladding issues in Wales either have been corrected or are in the process of being corrected.

We have a rolling programme of surveys, to date 137 have been completed, and 61 are being progressed with our contractors which are to be scheduled shortly.

I continue to encourage Responsible Persons to submit an Expression of Interest if they have not already done so. This is the starting point for accessing support from the Welsh Government.

Developer Loan Scheme

Here in Wales, I want to ensure that any reasons for delay are minimised, and developers are able to carry out works as swiftly as possible.

The Welsh Government has approved a £20 million Welsh Building Safety Developer Loan Scheme. The scheme will provide loans over a period of up to five years to for developers.

The aim of this loan is to:

- reduce the number of medium and high-rise residential buildings blighted by fire safety issues,
- provide assurance to leaseholders that works will be undertaken as swiftly as possible.
- enable reductions in service charges and insurance costs.
- remove barriers so leaseholders can access financial products such as mortgages.

The Developer Loan Scheme is critical in taking our work in Wales forward at pace.

The loans will be accessible to developers who have signed up to our legally binding documentation, allowing them to accelerate their works to address fire safety so we can end the suffering of leaseholders in Wales.

Let me be clear that this is a loan not a grant and that developers who wish to take advantage of this offer will rightly be expected to pay back every penny of funding to the public purse within five years.

Orphan Buildings

There remains the question of those 'orphan' buildings where the developer is unknown or has ceased trading.

In my Written Statement in January, I announced that I had agreed to an initial cohort of six buildings to be remediated.

I am pleased to announce that I have extended the initial cohort of buildings. We will now be taking forward 28 buildings, which represents all eligible applications for our initial phase of work.

For all 28 buildings, the developer has either ceased trading, is unknown, or the building was developed over 30 years ago.

Responsible Owners of the buildings will be contacted shortly to go through next steps and make arrangements for workplans to be prepared and the works to be undertaken. This will form part of the second phase of the Welsh Building Safety Fund - £375m of Welsh Government money put in place as part of the Co-operation Agreement with Plaid Cymru..

Progress in the social sector

Alongside the support I have outlined as being provided to the private sector, substantial works have also been undertaken to remediate medium and high-rise residential buildings in the social sector.

To date, works have been completed in 26 social sector buildings and works are underway in a further 41 buildings.

I am also pleased to announce £40 million has been made available to undertake fire safety works on a further 38 buildings in the social sector.

Leaseholder Support Scheme

Our Leaseholder Support Scheme is designed to help people in Wales who are in or facing significant financial hardship as a direct result of fire safety issues.

In January, I announced that a review of criteria had been completed. As a result of this, our case handlers have seen a significant increase in enquiries about the scheme.

I am pleased to tell you that the first properties are now proceeding with their sales, and once completed, this will allow those leaseholders to move on to new homes.

I continue to urge any leaseholders in financial difficulty to complete our eligibility checker, to see if they can access support through this scheme.

For further information please visit the [Welsh Government website](#).

Royal Institution of Chartered Surveyors

I am also pleased to confirm the Royal Institution of Chartered Surveyors have agreed to extend their guidance to valuers to apply to both England and Wales. We are working closely with them as guidance is updated.

This guidance will provide consistency in the valuation approach for properties in Wales that are included in the developer-led work, those buildings in our initial orphan cohort, or where we have been able to confirm buildings are either below 11 metres in height or deemed low risk. This will help support the removal of barriers and allow leaseholders to access mortgages and other financial products.

I continue to work with UK Finance to ensure lenders recognise the situation in Wales, so those living in buildings affected by fire safety issues can access mortgages and other financial products.

Newsletter

In addition, I wanted to make you aware of our regular update available on this subject via our newsletter. This will provide regular information on both the Building Safety Programme, and any formal announcements that have been made in the Senedd on this subject.

To receive the newsletter, you will need to subscribe by going to the following page:

[Welsh Government \(govdelivery.com\)](https://govdelivery.com)

Once registered you will receive regular updates from the Welsh Building Safety Programme.

Yours sincerely,



Julie James AS/MS

Y Gweinidog Newid Hinsawdd
Minister for Climate Change