



Ministry of Housing,
Communities &
Local Government

Building Safety Fund for the remediation of non-ACM Cladding Systems (England only)

Fund Application Guidance



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Building Safety Fund for the remediation of non-ACM cladding systems (England only)

Introduction

The Building Safety Fund (BSF) opened for applications from 31 July 2020.

This guidance is for applicants to the BSF for grants to remediate unsafe non-Aluminum Cladding Material (ACM) cladding systems on high-rise residential buildings that:

- registered their expression of interest between 01 June -31 July 2020
- have been fully assessed at Registration, and
- have been invited to apply because their building is eligible.

The government published the Registration Prospectus¹ for the BSF on 26 May 2020. The prospectus includes guidance on the remediation of non-ACM buildings.²

As an Applicant to the BSF, we require you to inform all leaseholders and residents that you will be applying for funding. You should also inform leaseholders and residents of the nature of the works you intend to carry out and should provide them with regular updates on the progress of your funding application and remediation works. As a minimum we require you to provide updates to leaseholders and residents at the following key milestones:

- Registration phase.
- Project procurement.
- Application submitted.
- Outcome of application received.
- Commencement of works (with an estimated completion date).
- Works completed.

The BSF is part of the wider Building Safety Programme the objectives of which are to make sure that residents of high-rise buildings are safe – and feel safe – now, and in the future.

We will use the information you provide to assess your application. We have put in place support to help you through this process. Our Delivery Partners, Homes England and Greater London Authority will be your primary contact. You have a responsibility to submit a correctly completed application as soon as possible. A poorly completed full application will result in delays or potentially no award of grant.

Fund overview

This Fund will cover reasonable eligible costs for the removal and replacement of unsafe non-ACM cladding systems on high-rise residential properties in England. Funding will be

¹https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/887452/BSF_Non-ACM_Cladding_Prospectus.pdf

² <https://www.gov.uk/guidance/remediation-of-non-acm-buildings>

provided to the Responsible Entity for each building. The Responsible Entity is the organisation that has the legal obligation or right to carry out the remediation works and the right to legally recover the costs from leaseholders as service charge. The Responsible Entity (referred to as the Applicant in this guidance) may be the building freeholder or head leaseholder or a management company or Right To Manage (RTM) company who has primary responsibility for the repair of the property³.

The fund will be for the benefit of leaseholders in the private sector who would otherwise incur the costs through service charge arrangements. Where leaseholders are not liable for the costs of remedial works via service charge under the terms of their lease, but the responsible entity for the building is a leaseholder-run Right-to-Manage company, the building may still be eligible for funding. Applicants from the social sector will need to have demonstrated during registration that the costs of remediation are unaffordable or a threat to financial stability.

Applicants from the social sector intending to claim grant associated with leaseholders in social sector buildings should refer <https://www.gov.uk/guidance/remediation-of-non-acm-buildings#social-sector-grants-leaseholder-costs-guidance>. Those Registered Providers and Local Authorities who have registered with the scheme due to financial viability concerns will be contacted directly. These cases will be discussed with you individually and taken forward on their merits. Registered Providers must have notified the Regulator of Social Housing.

Fund objectives

We describe the difference we want to make with our funding through a set of objectives. All projects we fund should achieve these objectives:

- protect residents through increasing pace in building safety by removing and replacing unsafe non-ACM cladding systems,
- improve Leaseholder communication and engagement, deliver projects on time and budget,
- encourage cost recovery from those responsible.

Fund structure and administration

The Ministry of Housing, Communities and Local Government (MHCLG) is the responsible department and the decision-making body for the Fund. We are working with the Greater London Authority (GLA) in London and Homes England (HE) outside London to administer the fund as Delivery Partners. The GLA and HE will draw on specialist expert legal and cost consultancy support to help assess your application.

In addition, MHCLG will also make available expert specialist support for Applicants who need additional support to plan their remediation project. You should discuss with your respective delivery partner if you believe you would benefit from this support. If your delivery partner confirms this support will be of benefit, they will forward your request to the relevant support team. There is an Applicant (Client) Side Support Charter that governs this assistance. You will receive the charter upon initial contact by the Applicant (Client) Side

³ RTM Company: a company formed by qualifying leaseholders in order to acquire the management functions relating to a building or self-contained part of a building pursuant to the Commonhold and Leasehold Reform Act 2002.

Support, who will explain to you their role in the process.

This guidance will tell you more about the BSF, how it will work and what applicants can expect during the application process.

Driving the pace of remediation

It is essential that buildings with unsafe cladding are remediated as quickly as possible to ensure that residents are safe and feel safe in their homes. Full applications for the Building Safety Fund must therefore be submitted urgently.

In order to promote the necessary pace, the Building Safety Fund placed a requirement on building owners to submit full applications for grant funding by the end of June 2021 and start on site by the end of September 2021. Building owners must continue to work to meet these deadlines wherever possible. We recognise, however, that meeting these deadlines may not be possible in all circumstances, for instance where applicants find that they do not have sufficient time to complete a robust and satisfactory procurement process in order to meet the June deadline.

In these cases, if more time is needed to be able to complete the required steps (as set out in this guidance) then this will be permitted on a case by case basis, providing applicants continue to provide delivery partners with realistic but ambitious project delivery timetables and continue to keep delivery partners fully informed about any changes to those timetables.

Applicants should be aware that where it is clear that they are making insufficient progress, MHCLG will be informed so they can be considered for an enforcement/escalation approach which may include referral to the local enforcement agencies or public naming.

The Department will keep demand for the Fund under review and will publish regular updates regarding the allocation of funding against the budget available.


Leaseholder and resident engagement

We expect building owners to ensure that their leaseholders are kept fully informed of the progress of their building's application at each stage of the Building Safety Fund process. Where residents' groups have been formed to manage remediation and building safety concerns, there should be regular engagement with leaseholders and residents regarding the building's funding application.

As a minimum we require building owners to provide updates to leaseholders and residents at the following key milestones:

- Registration phase
- Project procurement
- Application submitted
- Outcome of application receive
- Commencement of works (with an estimated completion date)
- Works completed

We have also recently published the Building Safety Fund: application process guidance which further highlights at which points in the application process leaseholders should expect an update. The Building Safety Fund: application process guidance can be found here: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/954568/Building_Safety_Fund_-_Application_process.pdf.

Additionally, the [Leaseholder Feedback Form](#)  was provided so leaseholders can get in touch with MHCLG if they have concerns about the remediation of their buildings. It is possible that leaseholder concerns may be followed up with Building Owners through their contact with Delivery Partners and the Project Management Office (PMO). You should also make leaseholders aware that they can access specialist advice for help to understand their rights through the Leasehold Advisory Service (LEASE). Although leaseholders should contact you with queries about their specific building, LEASE may act as a point of contact for leaseholders with questions about their leases.

The government has allocated additional funding to LEASE to 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>.

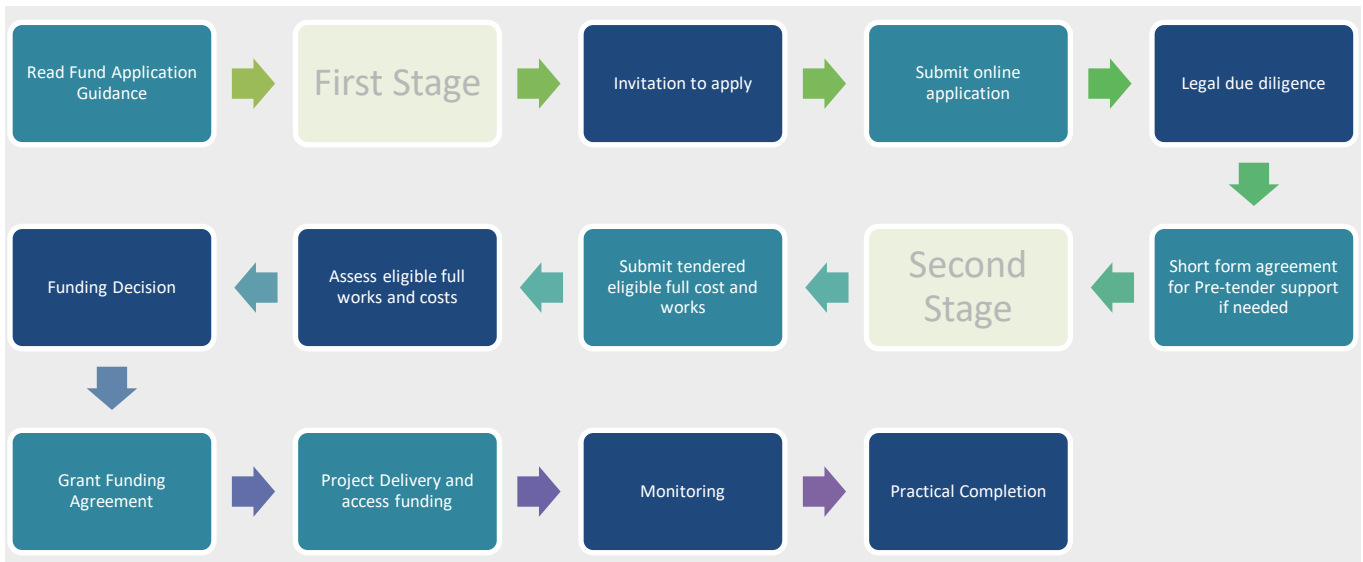
Delivery Partners are your primary contact and will provide their contact details during the application process.

When and how can I apply for funding?

Applications are open for buildings in the private and social sectors and can only be made by the Responsible Entity for the building. Applicants can appoint a representative to lead their application day to day and this may be a managing agent or the project manager leading the works. Even where a representative is appointed to lead the application, the grant funding agreement must still be signed by the Responsible Entity.

Our application process is designed over two stages: First Stage and Second Stage. Application portals opened for both stages on 31 July 2020.

This is a summary of the journey of your application.



As part of the registration phase assessment, we will estimate the total eligible costs for each building benchmarked against industry cost data. We will use this to check the reasonableness of your costs as part of our assessment process throughout your project's lifecycle.

Significant work will be needed to get you to a point where you can go out to tender your project, including scoping the project, appointing a professional team, and developing a works specification. You can apply for 'pre-tender support' if you need funding to get to this stage. Pre-tender support will only be provided if you have passed registration, passed the initial legal due diligence and the project cannot progress without this support. Pre-tender support will be limited to 10% of the estimated cost of work.

You will therefore need to answer questions about your legal eligibility to receive funding as the Responsible Entity, the ownership structure of the building in question and the legal provisions in the relevant lease document. You will also need to answer questions about the building itself. We will carry out due diligence on the information you provide before providing any funding for pre-tender support or full support for the remediation works.

If you do not proceed with the works within three months of receipt of pre-tender support or your full application turns out to be ineligible, we reserve the right to recoup the value of this initial pre-tender funding from you. Where pre-tender support helps to progress a project, but a full costs application is not subsequently received, we will not seek to recoup this funding except in the special circumstances set out in the short form funding agreement.

You can only submit a full costs application once you have gone out to tender and have a preferred contractor to carry out the remediation works. At that point you will be able to provide the required cost breakdown and answer the full works and costs related questions.

Whether you need pre-tender support or not, you should start your application as soon as possible after you are invited to apply so that we can proceed with the necessary first stage due diligence. This will give you the comfort that you, as Applicant, are in principle eligible for funding.

What we will fund

We will fund reasonable capital⁴ costs for eligible works that are necessary to remediate unsafe non-ACM cladding systems on high-rise residential buildings.

We cover a wide range of direct project costs including:

- Works directly related to the replacement of unsafe non-ACM cladding systems⁵ including:
 - Access, where apportioned appropriately and directly related to qualifying works (e.g. scaffolding, mast climber etc.),
 - Removal and disposal of existing non-ACM cladding,
 - Replacement materials,
 - Labour and reasonable on-costs to the contractor.
 - Professional team fees in respect of qualifying items.⁶
 - Managing agents' fees in respect of administering qualifying expenditure.⁷
 - Extraordinary technical requirements which incur extra costs essential to but not normally associated with removing and replacing unsafe cladding systems may be included. MHCLG will consider such requests for funding against relevant evidence.

Reasonable costs must be informed by an industry standard approach to specification and procurement of works, having regard to cost benchmarks established from comparable projects. Higher than expected costs will be challenged and will be subject to further scrutiny, and the level of grant may be reduced.

What we will not fund

- Works which are not directly related to the remediation of unsafe non-ACM cladding systems, even where these may be planned to be undertaken at the same time. For example:
 - wider redecoration, renewal, and general maintenance,
 - the replacement of windows or other elements,
 - internal works or any other remediation,
 - maintenance, repair, or renewal costs,
 - Balconies (where these are not integral with the cladding).
- Other structural works which are not directly related to the remediation of unsafe non-ACM cladding systems.
- Other necessary fire safety works which are not related to an unsafe non-ACM cladding system.
- Operational running costs, including those associated with interim measures such as waking watches. (The Fund is designed to support remediation at a greater pace so that interim measures and their costs are no longer necessary.)
- Professional team fees in respect of non-qualifying items.
- Managing agents' fees in respect of administering non-eligible works.
- Costs which would not otherwise be recovered from leaseholders through the service

⁴ For the purposes of this fund, capital costs are those identified in IAS 40 (Investment Properties) for properties held to earn rentals or for capital appreciation, or IAS 16 (PPE) for properties occupied by the owner or lessee or used in production or supply of goods or services or for administrative purposes.

⁵ A cladding system includes the components that are attached to the primary structure of a building to form a non-structural external surface. The cladding system includes the weather-exposed outer layer or 'screen, fillers. Insulation, membranes, brackets, cavity barriers, flashing, fixings, gaskets, and sealants.

⁶ Apportioned appropriately directly related to qualifying costs where a project also includes non-eligible costs.

charge provisions in their leases⁷.

Cost recovery

You are required to demonstrate that you have taken all reasonable steps to recover the costs of replacing the unsafe non-ACM cladding from those responsible through insurance claims, warranties, legal action etc. At the application stage we will ask for information regarding such steps and may seek further information to satisfy ourselves of the position.

Where you do successfully recover damages relating to the removal and replacement of unsafe non-ACM cladding the government will require building owners to pay to government any amounts recovered which relate to the removal and replacement of the unsafe non-ACM cladding up to the amount provided through the fund. The payments to government may be less any unrecovered legal fees that have been incurred when cost recovery efforts are successful.

We will not seek to recoup amounts recovered in litigation or settlement which do not relate to the removal and replacement of unsafe non-ACM cladding. Where building owners have already recovered damages, they should deduct relevant amounts in their applications and provide an explanation as to how this has been calculated. You can show these deductions as part of the 'other requirements' entries in the full works and costs spreadsheet.

MHCLG does not rule out seeking an assignment of relevant rights of action where it considers it would be appropriate to do so.

How we assess your application

You should answer all the questions in the application form and make sure you upload all required documents. If there is additional information you believe we should be notified of you should use the 'free text boxes' at the end of each section.

When we assess your full application, we will consider a range of factors including:

- whether Applicant details match publicly held records,
- your legal relationship to leaseholders and whether they are obliged to pay service charge,
- your compliance with Subsidy Control rules,
- confirmation of appointment of your competent professionals,
- whether your costs are for eligible works and are reasonable,
- when you will start on site or execute the 'Works contract',
- how you will monitor progress and evaluate costs,
- obtaining all statutory approvals including planning permissions,
- your forecast start and practical completion dates,
- the reasonable efforts you have made to recover costs.

It is important to start your application as soon as possible. If your application is assessed as

⁷ For example, hotels, hostels, purpose-built student accommodation uses, private rental sector (PRS) uses and PFI contracts are not eligible. Will not apply to Registered Providers who meet financial tests. In addition, where leaseholders are not liable for the costs of remedial works via service charge under the terms of their lease, but the responsible entity for the building is a leaseholder-run Right-to-Manage company, these costs may still be eligible for funding.

missing required information, our Delivery Partners and support lines will help you to rectify this. It is your responsibility to gather all the required information.

Payment profile

Funded projects will be paid in instalments.

Scenario 1: Projects which do not require pre-tender support will be paid in two installments of:

- c.80% at Second Stage Full Works and Costs (enter into a Works contract), and
- c.20% when you have achieved practical completion

Scenario 2⁸: Projects which require pre-tender (pre-works contract) support:

- We will consider giving you up to c.10%] of the total eligible costs we estimate at registration for your project. This is covered by the Short Form Fund Agreement.
- Two further payments covered by the Grant Funding Agreement of:
 - c.70% for the Stage 2 Full Works and Costs (enter into a Works contract), and
 - c.20% at Practical Completion.

Scenario 3: If, under either of the above scenarios, your chosen contractor has requested different payment schedule terms, or you are otherwise unable to operate the terms set out above, you should contact your delivery partner (Homes England / The GLA) to discuss alternative payment scheduling.

Following approval of your full application, you will receive a letter confirming approval from MHCLG, which you can use as proof of funding in principle to help you execute the Works contract. A separate section in this guidance sets out the process for variations.

Subsidy control

EU State aid rules no longer apply to subsidies granted from 1 January 2021 in the UK, except for aid within scope of the Withdrawal Agreement, including aid under Article 10 of the Northern Ireland Protocol. However, public authorities must comply with our international commitments on subsidies, and in particular the subsidies chapter of the UK-EU Trade and Co-operation agreement (TCA).

Previously under the state aid de minimis rules, an undertaking could receive up to €200,000 state aid over a three-year period. Economic actors may now receive up to 325,000 Special Drawing Rights, which is approximately £350,000, over three consecutive financial years, as Small Amounts of Financial Assistance which is exempt from the application of the TCA.

Funding provided for the benefit of leaseholders who are owner occupiers is unaffected as this does not constitute a subsidy. To receive the funding the leaseholder must be liable to meet the costs of remediation through the service charge provisions in their leases⁹.

Funding for the benefit of buy-to-let landlords, lessees of commercial premises and housing

⁸ The actual percentage amount will require some adjustment depending on the levels of pre-tender support provided, which will be known at the time that the Grant Funding Agreement is prepared.

⁹ Where leaseholders are not liable for the costs of remedial works via service charge under the terms of their lease, but the responsible entity for the building is a leaseholder-run Right-to-Manage company, these costs may still be eligible for funding.

associations continues to fall within the scope of the rules, either on the basis of Small Amounts of Financial Assistance or Services of Public Economic Interest (SPEI) compensation under the TCA.

We will require declarations from leaseholders who are either:

- Leaseholders of commercial premises, **OR**
- Leaseholders of residential premises, that are economic actors **AND** they have received financial support previously from the state, in the form of a subsidy, within the past three years (including funding from the Private Sector Cladding Remediation Fund (PSCRF) or BSF).

Applicants will be required to provide a list to Delivery Partners of all leaseholders who they believe to be economic actors (including Registered Providers of Social Housing), and their proportion of the total service charge liability in the form of the Economic Actor Schedule together with their best assessment as to whether they operate residential or commercial activities. This includes any residential leaseholders who the applicant believes are economic actors but have not provided a declaration and any leaseholders who have returned a signed Subsidy declaration during the leaseholder consultation period that the Applicant didn't originally list.

Applicants should provide any declarations received from leaseholders to Delivery Partners via upload to the program portal

We have set out this process in further subsidy control guidance which you can access here: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/989378/Subsidy_Control_Guidance_for_Applicants.pdf.

Beneficiaries who provide SPEIs are not subject to a cap on the amount of funding they can benefit from receive. However, where an SPEI subsidy is 15m SDR or above, then details will need to be provided on the UK's subsidy database. This will be relevant for remediation funding where Registered Providers of Social Housing (RPs), or exceptionally other organisations with a charitable purpose, would be liable for the costs of remedial works by virtue of their service charge obligations¹⁰.

VAT

Snagging (the correction of faults) is often carried out after the building has been 'completed'. Provided the replacement cladding forms part of the original construction and the person requesting the cladding had an interest in the building during the construction works, then the replacement cladding may qualify for the zero rate as snagging. This work may form part of a building contract with zero-rated VAT. If Applicants require advice on whether their replacement cladding meets the criteria of snagging and is therefore eligible for VAT at zero

¹⁰ Charitable organisations will normally constitute health and/or social and/or educational services and will also usually only be provided with State assistance. Examples may include those as regards health and long-term care, childcare, access to and reintegration into the labour market and the care and social inclusion of vulnerable groups. The leaseholder does not necessarily have to be a charity. However, it is likely to be a 'not for profit' organisation or one focused on services of this kind. Because determining whether a particular service qualifies as a service of this type can be complex, Applicants should consult with their Delivery Partner as soon as possible if they consider that there may be a leaseholder in their building who might qualify.

rate, they can write to the HMRC Clearance Team.¹¹

Enforcement

Where projects are not progressing quickly enough, we will work with local authorities and fire and rescue services, including through the fire protection board, to ensure that they are considering enforcement action in relation to any un-remediated unsafe high-rise building.

Remediating unsafe non-ACM cladding systems swiftly will avoid the need for further action, including enforcement action. Local authorities have enforcement powers under the Housing Act 2004, which can include prohibition notices. The Fire Safety Bill, which is currently before parliament, will put beyond doubt that fire and rescue services' enforcement powers can also be used in relation to unsafe external wall systems.

Further guidance

We have other information on our website to help you manage and develop your project.

The following are essential reading for all projects:

[Registration Prospectus](#) 

[Building Safety Fund Stakeholder Update 6 April 2020](#) 

The Application Process

Access to online Fund Application Portals

There are two fund application portals, one for London administered by GLA and another for outside of London administered by HE.

Applicants will be given access to the relevant application portal. This access will be included in the communication to Applicants when you are invited to apply by the Delivery Partners following completion of technical due diligence at registration.

Self-certification

The BSF process requires you to self-certify¹² a number of critical aspects concerning your project and application. You are required to self-certify on the online application form to confirm, for instance, that the works will comply with the Fund Requirements outlined in Annex A. As a further example, you are also required to certify that all parties contracted to you to deliver remediation have complied with the requirements of their respective contracts.

In order to provide this reassurance to MHCLG you will need to put in place processes that capture the evidence needed to enable you to self-certify. The processes should help you confirm that suitable management of the works is in place, and the remediation works will be completed correctly in accordance with the BSF requirements.

¹¹ <https://www.gov.uk/guidance/non-statutory-clearance-service-guidance> - see Annex D.

¹² Self-certification is the process whereby the Applicant provides assurance (with recourse to Third Parties) that they and their supply chain have complied with all requirements of their contractual obligations to MHCLG for the remediation of the unsafe cladding.

Your contractor must ensure that all non-conformances or defects are reported and demonstrate to your project manager that they have been satisfactorily resolved. We require you to make sure your contractor implements and confirms a system for the provision of evidence at all points throughout the works as part of their management and project administration arrangements. This could include a job-centric checklist, such as an inspection and test plan, that will be used to record the progress of the works. Once the works are complete, a certificate should be signed between you and the contractor to confirm that the works have been completed to the required standard outlined in the Fund Requirements.


The Grant Funding Agreement will require you to warrant that your confirmations to the self-certification statements are correct and accurate.

Competent Professional

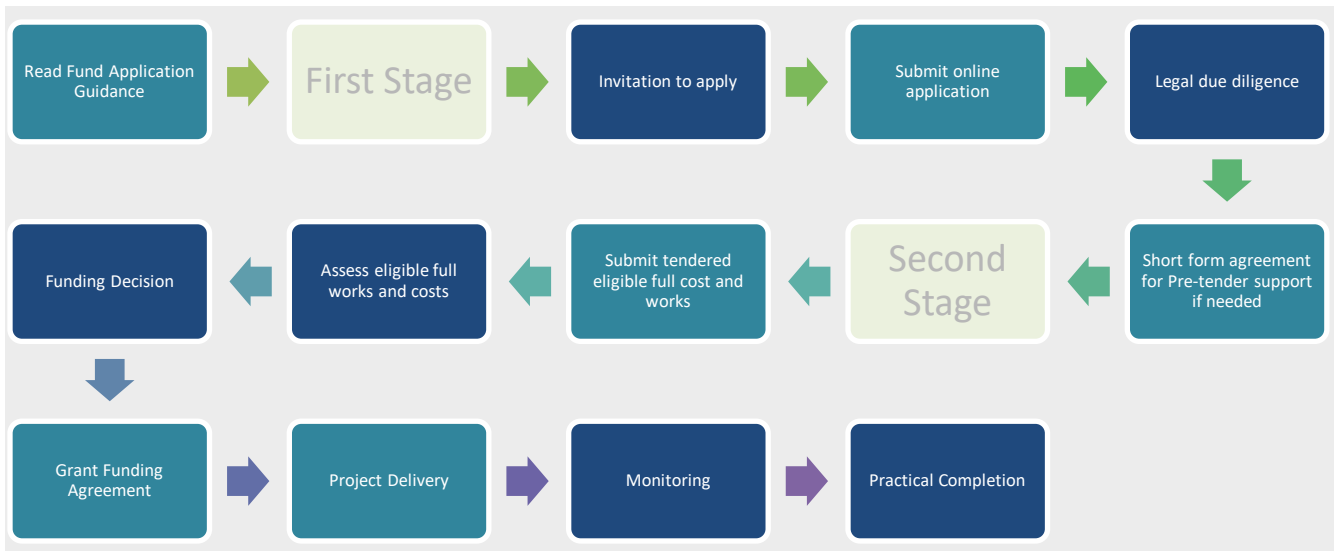
You are required to use competent professionals on your project. We will rely on the information they produce as evidence of the accuracy of your answers in the application. We also require your competent professionals to sign-off project works and all relevant documentation. The expression 'competent professional' relates to someone who:

- is qualified in their field,
- is a member of a professional body,
- holds Professional Indemnity Insurance,
- is knowledgeable and has significant experience relevant to work specific technical aspects involved,
- is aware of the current state of knowledge in their field, and
- has accumulated sufficient experience to be recognised as having a successful track record.

Simply having worked in a field or having an intelligent interest in it does not, by itself, make a person a competent professional.

While due weight will be given to an opinion offered by the applicant's competent professional, for example in signing off the grant funded works, it will not necessarily be conclusive of the issue. Further enquiry may still be needed for MHCLG and Delivery Partners to be fully satisfied on a material point. Further guidance on competent professional can be found at [Registration Prospectus Annex A pages 4-6](#).

Application Journey



Invitation to apply

Delivery Partners will invite you to submit your application online through their portals if (i) you registered your building(s) and (ii) your building meets the technical eligibility criteria, as assessed by MHCLG. Please do not attempt to apply until you have received this invitation. If your building has not yet passed the technical eligibility criteria, please continue to prepare the relevant supporting information ahead of the invitation.

Submit online application

You will complete and submit an online form that covers the first and second stage applications. For Applicants who enter into the grant funding agreement, the online portals will be used to make payments and monitor the progress of projects.

The tables below show the different information you will need to have gathered for your first stage application. This is aligned to the steps in the process schematic above.

First Stage Application

This section of the application form is outlined in Annex D. The first stage involves you being invited to submit your application. Once you have submitted your application, we will carry out basic checks to confirm that you have completed it correctly. We will get in contact with you if your application is missing any required information and will provide support should you need it to help resolve any outstanding issues.

The first stage will involve initial legal due diligence to determine your eligibility for the fund. During this stage, we will gain a better understanding of you and your building(s).

If you meet the legal eligibility criteria, and you have indicated on your application form that you need Pre-Tender Support (pre-Works contract support), we will offer it at this stage. This will be 10% of our estimated benchmark total eligible costs for your building.

We ask for the particulars of the building(s) you wish to seek funding for, including location.

You are required to provide a plan showing the footprint of the building(s). You are also required to identify four residential properties within the Building. We will need to check the service charge provisions for your building and will ask you to identify four different properties within the Building which are held on leases representative of all the residential leases granted for properties in the Building.

Legal due diligence

Your submitted information will be checked by Delivery Partners' case worker teams. They are there to help you resolve straightforward issues with the application. It remains your responsibility to provide all the required information, which must be accurate.

If necessary, your application will be triaged by the Delivery Partners through our expert support lines to help you deal with more complex issues. If your application requires this support, then it might take longer to sign off as completed.

Your application will undergo initial legal due diligence carried out by the Delivery Partner Legal advisers. This involves checking your details and obligations as the Responsible Entity.

Role	Assessment
You	<p>You will nominate four residential properties which you are confident are generally representative of the leases which have been issued in the Building and which demonstrate that:</p> <ul style="list-style-type: none"> -You can pass the costs for remediation to leaseholders through service charge -The Leaseholder has an obligation to pay the service charge <p>Our Legal Advisers will conduct a review of these.</p>
Legal advisers	<p><u>Eligibility (First Stage)</u></p> <p>Leaseholders Our Legal Adviser will review at least one of the leases relating to properties nominated by you. This is important in the context of subsidy control as the underlying requirement in making funding available is that the State is relieving leaseholders of a financial burden that they would otherwise face¹³. This may create the need for you to revise the application by providing further information and re-submit.</p> <p>Ownership structure Our Legal Adviser will verify that you as the Applicant are the correct contracting party (i.e. the Responsible Entity) or highlight the position to us where this is different. The Legal Advisor will review your title details and include a short form legal summary to accompany the Application when it is considered by the Fund Application Board.</p>

¹³ Where leaseholders are not liable for the costs of remedial works via service charge under the terms of their lease, but the responsible entity for the building is a leaseholder-run Right-to-Manage company, the building may still be eligible for funding.

Role	Assessment
	<p data-bbox="352 219 596 255">Subsidy control</p> <p data-bbox="352 293 1437 510">Legal advisors and Delivery Partners to review the Economic Actor Schedule, and any declarations provided. Thus, ensuring any funding that is allocated to a declared Economic Actor is limited to the maximum grant amount of 350,000 Special Drawing Rights (SDR) over three consecutive financial years. Any necessary deductions will be applied to the funding amount claimed, ensuring only lawful subsidy is paid.</p> <p data-bbox="352 548 1414 689">Where a commercial lessee has failed to supply a signed Subsidy Declaration on the Economic Actor Schedule, an amount equal to their service charge liability for the works will be deducted from the total funding amount.</p> <p data-bbox="352 728 1398 801">Leaseholders listed in the Economic Actor Schedule will be notified of the value of the state funding they will receive.</p>

Your Payment Details

You will also be required to provide details of the account held in trust for the benefit of leaseholders into which we will make grant payments, with evidence that this complies with the requirements of Section 42 of the Landlord and Tenant (LTA) Act 1987.

Or

If you have a Client Money Account registered under a Client Money Protection Scheme (CMPS), you will be requested to provide evidence that the account is registered under the CMPS.

Second Stage Application

Submit tendered eligible full cost and works

At this stage you will need a firm proposal, including detailed project plan and costs. You will be required to complete an online template for full works and costs similar to the one in Annex D. This will be similar to the second stage (full works and costs) questions outlined below.

If you have not already done so, you will now have to complete the required information for this section in the application form in the online portal.

The table below sets out the self-certification requirements which will you see as questions that you will be required to complete on the application portals in respect of your proposed works and costs, as well as guidance about how to answer them. Annex D outlines all other questions in the application portals.

This section of the portal relies on you to 'self-certify' by either choosing answers that are either binary (Y/N) or completing free text fields or dropdown lists. You should upload all the information we ask for including completed templates.

The information we require you to either upload or keep on file is intended only to reflect the standard project documentation normally required to ensure that a cladding remediation project will be successful.

At this stage, you will also be required to submit the Economic Actor schedule and any subsidy control declarations obtained.

Once you have submitted your application, we will work with you to resolve any issues, including any areas where you are unable to self-certify compliance with the fund requirements. Following this, it is your responsibility to self-certify compliance and provide the required information as soon as possible.

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Scope of Works, Project Team Appointments and Resident / Leaseholder Notifications

General guidance regarding what constitutes a 'competent professional' can be found under 'Competent Professional'.

Requirement: You must confirm that a 'competent professional' has certified that the planned remediation design and Works comply with the Building Safety Fund's technical requirements for replacement cladding system, and that you have on file formal written evidence of this, that is available on request. *Your application will not proceed until you can confirm this.*

Additional Guidance: This confirmation and certification sign off must be provided by the Design Manager working with the design team e.g. engineer, architect, quantity surveyor etc. They must be experienced in façade design or working on the fire safety of external wall systems on high-rise buildings to ensure that the coordinated design achieves the BSF Fund requirements.

For simpler projects where there is only one discipline involved, i.e. an Architect undertaking cladding design, then the Architect will be acting as Design Manager under these circumstances and should be able to confirm the design meets the technical requirements.

The BSF requirements can be found in Annex A. We will also provide you with building specific requirements during the registration phase. Certification by the competent professional may take the form of a design report or technical note certifying that the design meets the BSF requirements.

Document(s) you must keep on file:

- A design report or technical note by a competent professional on the design of the remedial works.

Requirement: You must confirm that sign off of the Specification or Employer's Requirements (your design and specification) detailing the full project Works has been provided by a 'competent professional' and that evidence of specification sign-off and records in accordance with the above are available on request. *Your application will not proceed until you can confirm this.*

Additional Guidance: This confirmation and certification must be provided by the Design Manager working with the design team e.g. engineer, architect, quantity surveyor etc. They must be

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experienced in façade design or working on the fire safety of external wall systems on high-rise buildings to ensure that the coordinated design achieves the BSF requirements.

For simpler projects where there is only one discipline involved, i.e. an Architect undertaking cladding design, then the Architect will be acting as Design Manager under these circumstances and should be able to confirm the design meets the technical requirements

The Specification or Employer's Requirements define your requirements including the scope of works and services including allocation of risks that are used in conjunction with your tender documentation to help procure a contractor.

You must ensure that a competent professional provides sign-off that these cover the full scope of works required. You must also ensure that you record and store details of the fire safety classification of the replacement cladding material, insulation and sheathing board, where applicable and the fire safety classification of any of these materials which are being retained regardless of quantity)

Document(s) you must keep on file:

- The Specification or Employer's Requirements
- Evidence of sign-off in writing of the Specification of Employer's Requirements by a competent professional
- Information on the fire safety classification of the replacement cladding material
- Information on the fire safety classification of the replacement or existing (if being retained) insulation
- Information on the fire safety classification of the replacement or existing (if being retained) sheathing board.

Requirement: You are required to hold and maintain a Project Directory of existing and proposed professional team appointments. Confirm you have such a directory and that it is available on request. *Your application will not proceed until you can confirm this.*

Additional Guidance: The project directory must capture records of all consultants or contractors working or proposed to work on the project and must include their role on the project and their contact details. We recommend including pre-works information such as details of client, designers, other consultants, which is not a requirement under the Construction (Design and Management) Regulations (CDM Regulations) 2015.

Document(s) you must keep on file:

- The Project Directory

Requirement: You must confirm you have appointment documentation for all appointments of professional team members made to date, and that these are available on request. *Your application will not proceed until you can confirm this.*

Additional Guidance: You are required to keep all existing appointment documentation (including scope of service, fee quotation and your acceptance) for all professional team appointments noted in the Project Directory, including costs relating to those you are claiming through your application.

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Document(s) you must keep on file:

For each member of the professional team:

- Scope of services to be provided
- Fee quotation
- Evidence in writing of you accepting or confirming the appointment

Requirement: You must confirm that a 'competent professional' has agreed that all existing and proposed project scoping documentation covers the full scope of Works and there are no scope or coordination gaps, and that you have on file formal written evidence of this that is available on request. *Your application will not proceed until you can confirm this.*

Additional Guidance: This confirmation must take the form of a competent professional signing off all scoping documentation as having been reviewed and is fully coordinated. The confirmation and certification sign off must be from the Design Manager and or the Project Manager. The Design Manager's role should include coordinating and integrating all aspects of the project including the design between disciplines to avoid missing or conflicts between any elements of design. As such the Design Manager should be competent to review project scoping document to ensure it meets the BSF requirements.

A Project Manager with similar experience may also be able to provide this certification by reviewing the scoping documents and coordinating with the disciplines at the appointment stage to ensure the scope of services are complete.

All designs that are prepared by different members of the project team must create a single, unified set of information.

Document(s) you must keep on file:

- Evidence of written confirmation of this by the competent professional

Requirement: You must confirm that you have on file formal written evidence of competence for all professional project team appointments, signed off by you or an appointed 'competent professional', and that this is available on request. *Your application will not proceed until you can confirm this.*

Additional Guidance: You are required to keep written evidence of competence for all professional team appointments. This must include where applicable evidence of membership to professional bodies and record of project experience etc. which, for example, might be submitted as part of project fee proposal. This should be available on request.

Document(s) you must keep on file:

For each member of the professional team:

- Evidence of membership of relevant professional bodies; or
- Evidence of previous experience of similar projects

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Requirement: You must confirm that appropriate levels of Professional Indemnity Insurance and limits of liability, for the risk associated and in accordance with industry best practice, are in place for all current appointments and evidence of this is available on request. *Your application will not proceed until you can confirm this.*

Additional Guidance: All members of the professional team must have Professional Indemnity (PI) Insurance, with a minimum limit of £1m or of no less than the total cost of the works (whichever is the higher). The insurance must not have any exclusions for fire safety or cladding-related projects. You are required to keep evidence of Professional Indemnity Insurance for all existing and proposed professional team and contractor appointments and information on any limits of liability. This should be available on request.

If your contractor will have some design responsibility, you must also ensure that the Contractor has PI Insurance to cover the design of the works.

If this is not possible, you must explain why that is the case and specify when confirmation can be provided. If any member of the Professional Team or the Contractor are unable to secure PI Insurance at commercial rates for the remediation of the cladding, you are to provide full details for further consideration by the Delivery Partner and MHCLG.

Document(s) you must keep on file:

For each member of the professional team and (where applicable) your contractor:

- A PI insurance certificate showing the level of PI cover
- A copy of the PI insurance policy

Requirement: You must confirm that residents and leaseholders will be informed of the proposed Start on Site Date at least two weeks prior to such date. *Your application will not proceed until you can confirm this.*

Document(s) you must keep on file:

- Evidence of communication of start on site date to residents and leaseholders

Statutory Approvals

Requirement: You are required to tell us if the Works require Planning approval.

If they do, then you must confirm that planning approval will be in place prior to start on site.

If the works do not require Planning Approval, you must confirm that you hold formal written confirmation, available on request, that Planning approval is not required.

Document(s) you must keep on file:

- (If planning approval is required) formal planning approval by your local authority

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- (If planning approval is required) a project plan which includes timelines for obtaining planning approval
- (If planning approval is not required) Evidence that planning approval is not required (e.g. an email from a planning officer).

Requirement: You must confirm that you have Full Plans Approval or a Plans Certificate in respect of the remediation works (available on request).

If you have not yet obtained Full Plans Approval or a Plans Certificate, you must confirm that this will be in place prior to start on site, or (where a Design and Build contract will be used) that Full Plans Approval or a Plans Certificate will be in place at completion of Royal Institute of British Architects (RIBA) Stage 4.

Additional Guidance: Full Plans Approval or a Plans Certificate are provided by your Building Control Body – either Local Authority Building Control or an Approved Inspector. This confirms that the planned works will comply with Building Regulations.

More information on the RIBA stages of plans of works can be found here:

<https://www.architecture.com/knowledge-and-resources/resources-landing-page/riba-plan-of-work> .

Document(s) you must keep on file:

- Full Plans Approval or Plans Certificate

Requirement: You must confirm all remaining Statutory Approvals will be in place within the timescales required by the authorities providing the approvals. *Your application will not proceed until you can confirm this.*

Additional Guidance: Other statutory approvals required may include highways, Network Rail, utilities providers etc.

Document(s) you must keep on file:

- Evidence of these statutory approvals (where applicable)

Procurement

Requirement: You must confirm the Fund's standard contract requirements, as set out in Annex B have been included within the Works Contract. *Your application will not proceed until you can confirm this.*

Additional Guidance: These requirements set out what is required for the Works Contract with your main contractor.

Document(s) you must keep on file:

- the Works Contract

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Requirement: You must confirm and explain your procurement strategy i.e.

Procurement Routes: -

- Traditional

- Design & Build

- Other

Additional Guidance:

Traditional: contractors are asked to tender for carrying out the works on the basis of a specification and/or drawings that have been fully designed by the professional team.

Design & Build: contractors tender based on partially complete design information on the basis the appointed contractor will have the responsibility for completing the design and carrying out the works. The Contractor must have evidence of PI Insurance certificates that cover the design of the works. If the Contractor is unable to secure PI Insurance at commercial rates for the remediation of the cladding, you are to provide full details for further consideration by the Delivery Partner and MHCLG.

Requirement: You must confirm and explain your tender strategy i.e.

Tender Routes: -

- Obtaining Quotes / Open tender

- Negotiated

- Other

Additional Guidance:

Obtaining Quotes / Open tender: quotations and proposals are sought from numerous contractors, and one is selected on the basis of quality, competence, experience and cost.

Negotiated: a single contractor is approached to conduct the Works and costs are negotiated.

Contract Execution

Requirement: You must upload the completed full works and costs spreadsheet we provide to calculate your total project costs. The contents of the spreadsheet will be similar to the template provided in Annex D. *Your application will not proceed until this has been uploaded.*

Additional Guidance: You must ensure that this includes an appropriate contingency amount as part of your contract sum with your main contractor

Document(s) you must upload:

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- The completed Full Works and Costs spreadsheet

Requirement: We require you to confirm the value of the total eligible costs and that this is based on a tender price. *Your application will not proceed until this has been provided.*

Question: You must confirm that a 'competent professional' agrees and has signed off that the contract sum represents a reasonable sum for the Works cost given current market conditions, taking into account any qualifications or exclusions, and that evidence of this is available on request. *Your application will not proceed until you can confirm this.*

Additional Guidance: Contract sum means total Works cost split between ineligible and eligible costs. The reasonable sum should represent the market price.

This confirmation and certification must be from the project cost consultant or quantity surveyor with similar experience who will be in a position to compare the contract sum against your pre-tender estimates. They should use their professional experience to take into consideration the prevailing market conditions.

Document(s) you must keep on file:

- Confirmation by a competent professional, which may take the form of a tender report or tender recommendation

Requirement: You must confirm that a 'competent professional' agrees and has signed off that the split of costs between eligible and ineligible costs are accurate and that the breakdown is accurate and the totals are correct, and evidence of this is available on request. *Your application will not proceed until you can confirm this.*

Additional Guidance: This sign-off must consider the breakdown between eligible and ineligible costs as described in this application guidance. If the competent professional or you are uncertain about whether some costs are eligible, you should ask your Delivery Partner.

This confirmation and certification must be provided by the project cost consultant or quantity surveyor with suitable project experience. You should note that MHCLG requires a Duty of Care Deed from your cost consultant or Quantity Surveyor.

Document(s) you must keep on file:

- Confirmation by the competent professional, which may take the form of a tender report or tender recommendation.

Requirement: You must confirm that a 'competent professional' agrees and has signed off that the Works programme has been reviewed and is considered a reasonable estimate of time for the Works, and that evidence of this is available on request. *Your application will not proceed until you can confirm this.*

Additional Guidance: This confirmation and certification must be provided by the Project Manager, who will be able to review the plan for the remediation works, and the durations against their pre-tender estimates, available benchmarks and to use their professional experience to advise on whether the timescales are reasonable for the works proposed.

Document(s) you must keep on file:

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- Confirmation written by the competent professional

Requirement: You must confirm if the Works Contract will require any design to be carried out by the contractor (Contractor's Design Portion). *Your application will not proceed until you can confirm this.*

Additional Guidance: Contractor Design Portion is an agreement for the contractor to design specific parts of the works. The contractor may in turn sub-contract this design work to specialist sub-contractors.

Requirement: You must confirm that the lead designer, if separate from consultant, agrees that any Contractor's Design Portion elements are suitable and sufficient in order to complete the design development in accordance with the Fund requirements, and that evidence of this is available on request. *Your application will not proceed until you can confirm this.*

Additional guidance: The lead designer (sometimes referred to as the design coordinator), directs and co-ordinates other designers in the consultant team as well as any specialist designers that are appointed. If you do not have a lead designer, then you must confirm the same for the competent professional undertaking similar activities to a lead designer and indicate who this is doing this role.

Document(s) you must keep on file:

- Confirmation by the lead designer or other appropriate consultant

Assess eligible full works and costs

Your application will be assessed based on the information you provide. We will compare submitted costs against our benchmark. If they are above the defined threshold of the benchmark, we will need to do further work and ask follow up questions. It remains your responsibility to produce the required information as quickly as you can so we can progress your application.

Funding decision and grant funding agreement

When a decision is made, we will write to you setting out our decision and next steps. You will need to complete and sign a Grant Funding Agreement including ancillary documents (standard form collateral warranties and a Duty of Care Deed from the cost consultant). You may submit a request to drawdown approved funds once the grant funding agreement is completed and all the relevant conditions have been met.

Project Delivery

Following award of funding and signing of the Grant Funding Agreement, we require you to enter into a Works contract. We have laid out in Annex B the Works contract requirements and other additional information you will need for your project.

Monitoring

You have an obligation to provide project management information at minimum on a monthly basis, as set out in Annex D. This information will be used to monitor progress and costs. We require you to provide it, at the latest, within 7 working days following the end of the previous month.

We will use this data to understand where projects are not proceeding according to plan and triage support to those projects who might need it, for instance where completion dates are slipping or where spend is falling behind that expected. This support could include Applicant (Client) Side Support to help progress projects. You retain responsibility and accountability for your project.

Variations

You are required to manage the total eligible costs of your project within the grant awarded. We appreciate that circumstances could change. Costs may increase because of unforeseen overruns or variations to contract scope. You will need to submit an application for variations to maximum grant sums to the Delivery Partner. If a variation to the maximum grant sums is approved, MHCLG will confirm this in writing to the Applicant.

Due to the objectives of the Fund, variations in grant sums may be permitted for the following reasons:

- To comply with statutory requirements (e.g. building regulations, town planning, CDM regulations etc.).
- To replace qualifying unsafe non-ACM cladding from areas not previously identified.

If variations occur for any other reason, it is unlikely they relate directly to the objectives of the Fund and are unlikely to qualify for additional funding.

Construction contracts vary in the placement of liability in relation to variations. The cost variation will only be permitted if the liability for the variation is not yours and not the Contractor's.

Consultants, such as designers, will have responsibilities under their professional appointments. If the additional project costs have arisen through inadequate performance of a consultant's duties under their appointment, then these sums may be recoverable through the relevant consultant or their Professional Indemnity Insurance (PII). In this instance additional grant sums will not be made available.

Within industry standard construction contracts, the party responsible for valuing variations will usually be named within the contract. In addition to the named party's contractual responsibilities, it is advisable that the same entity be responsible for submission of applications for variations in grant sums on your behalf as nominated representative.

The party responsible for submission of the application will need to provide details of the cost variations and how they have been calculated. Costs could be related to:

- Professional fees;
- Construction costs;
- Site setup and preliminaries; or

- A combination of the above.

In all cases where cost variations are being sought, you will need to retain information to evidence that the cost variations only relate to the works permitted for grant funding and / or works required to facilitate the same. This should be available on request.

We will rely on your cost consultant to undertake rigorous checks on all costs. The cost consultant should ensure sufficient information is retained to provide evidence to support the application. We will not ask to see this information at the point at which a variation is submitted but may do so in future. For these reasons, we will require your cost consultant (or quantity surveyor) to enter into a Duty of Care Deed with MHCLG.

You will be required to either provide or keep on file the description of works from a competent professional, explaining how the additional works have arisen, the extent and why they relate to the total eligible cost for the unsafe non-ACM remediation work. If required, you will be requested to provide any further information or documents.

As such you will be required to either provide or keep on record a cost report from a competent professional (such as a cost consultant), costing the works, including a breakdown of the additional funding request relating to the total eligible costs of unsafe non-ACM remediation works.

We have outlined in Annex D questions relating to variations. Further details of the cost variations process will be provided by the Delivery Partners in the application portal User Guides.

If further assistance is required, Delivery Partners will work with you to access the Applicant (Client) Side Support to help with your project. As a government department that gives out public funds, we are mandated to manage these funds and services prudently, hence there may be a need to provide project level advice to help a building owner get their project back on track.

Practical completion

At the point of practical completion for your project, you will provide evidence of sign off from your competent professionals and building control. Delivery Partners may engage their cost consultants to work with you when settling final accounts. Annex C lists some of the documents we require you to ensure your competent professional provides to you at practical completion. These should be available on request.

Where Delivery Partners encounter complexities in settling final accounts at practical completion, they will seek direction from MHCLG's funding approval board.

Open book access

The BSF processes follow the Government's approach to open book contract management. These help MHCLG maintain a clear line of sight between the cost requirements for eligible works compared to the MHCLG funds granted. A low cost, minimal open-book approach is applied, which provides us with assurance that value for money is being achieved, as required by Managing Public Money for Government grant schemes.

As such you will need to upload and submit the relevant supporting documents, we have

requested to the online application portal. We require you to keep on record any other documents that you have confirmed you have obtained so they are available when requested. The Grant Funding Agreement requires MHCLG, Delivery Partners and appointed third parties are given access to required information and documentation.

During works:

The MHCLG and Delivery Partners (GLA and HE) have the right to request from you cost details and any supporting documentation. The fund will retain specialist support (e.g. legal, commercial, technical advisors) who will have the same open book access rights as those delegated by the MHCLG to Delivery Partners.

After completion:

A sample of projects may be randomly selected or targeted for potential government audit activities (e.g. NAO value for money studies). You will be responsible for providing your own resources for these audits, and as such it is recommended that you allow for this potential scope within your consultants' appointments. The funding of such activity is not an eligible cost.