# Joint plan to accelerate developer-led remediation and improve resident experience

# **Executive summary**

Following publication of the public inquiry report into the Grenfell Tower fire, the Prime Minister made clear that unsafe buildings must be remediated more quickly. This joint plan is being published alongside the Government's broader *Remediation Acceleration Plan*.

Government welcomes the commitment that 54 developers made in signing the developer remediation contract and recognises the progress made by many developers, in line with their contractual obligations, towards assessing and remediating their buildings.

This plan reflects a commitment by the Government and developers to work together to accelerate progress so that residents are able to feel safe in their homes again as soon as possible.

The obligations in the developer remediation contract and the membership conditions of the Responsible Actors Scheme are entirely unaffected by the commitments in this plan.

Developers and the Government jointly commit to the following actions:

- 1. Improve resident experience of remedial works: developers commit to sign up to the Code of Practice for the Remediation of Residential Buildings and to adopt best practice measures on communication and letters of comfort to help leaseholders borrow and sell.
- 2. Accelerate determinations of which buildings require remedial works: developers commit to complete determinations for all buildings for which they are responsible under the contract by the end of July 2025, save for cases genuinely outside their control. Government commits to work with developers to resolve third party disputes, to publish dispute-resolution guidance, and to support work on template license agreements.
- 3. Improve quality of assessments used to determine whether buildings require remedial works: developers commit to use independent, competent assessors to undertake all assessments of buildings, including using the Cladding Safety Scheme panel of fire risk assessors. Government commits to commission sufficient audits of building assessments.
- 4. Accelerate starts and completions of remediation works: developers commit to start works on at least 80% of their buildings requiring works by end July 2026, and 100% by end July 2027, save for cases genuinely outside their control. Government commits to work with developers and the Building Safety Regulator to minimise avoidable delays and to intensify pressure on any third party that unreasonably blocks progress.
- 5. Expedite cost-recovery negotiations with social housing providers to accelerate remedial works: where developers are obligated to contribute towards the cost of remedial works in social housing (having acted as a contractor), developers commit to make every effort to agree their contributions by end of July 2025. Government commits to work with developers and Registered Providers of Social Housing to accelerate dispute resolution.
- **6. Establish developer-MHCLG Remediation Action Group:** Government and developers commit to establish a working group to overcome barriers to remediation.

# Joint plan commitments

# 1. Improve resident experience of remedial works

Residents and leaseholders deserve to be treated with respect, kept informed about whether their building is safe and progress of remedial works, and to endure the minimum necessary disruption to their lives during remedial works.

#### **Developers commit to:**

- a. Sign up and adhere to the <u>Code of Practice for the remediation of residential buildings</u> (published July 2023) by April 2025, demonstrate that they are complying with the Code, and make sure that sub-contractors working on remedial works understand and comply with the Code.
- b. Improve resident experience of remediation, including sharing with residents the Resident Feedback Form (published September 2023) which gives residents an opportunity to share the impact which remediation is having on their lives.
- c. Share and implement best practice adopted by developers around resident and leaseholder communications, including:
  - Within 6 weeks of determining that works are required (and ideally more quickly on request, such as when a letter is needed to make possible an imminent sale of a property), provide residents and government with:
    - An information pack on the scope of works and next steps, including how residents can contact the developer with questions.
    - A letter of comfort based on an agreed template that leaseholders can
      use to confirm to mortgage providers that their building will be
      remediated by the developer.
  - II. Provide residents and leaseholders with regular, high-quality updates on progress of remedial works either directly or through a third party.

#### **Government commits to:**

- d. Work with developers and residents to keep the <u>Code of Practice for the remediation of residential buildings</u> under review to make sure that it reflects best practice.
- e. Share resident feedback and best practice with developers.

# 2. Accelerate determinations of which buildings require remedial works

Under the developer remediation contract, developers are required to assess all buildings for which they are responsible and determine whether works are required.

As of 31 July 2024, developers reported that determinations of which buildings require works have been carried out on 71% of buildings covered by the contract.

Developers and the Government want to accelerate determinations, in order to end uncertainty for residents and leaseholders and make buildings safe.

# **Developers commit to:**

a. Complete determinations for all buildings for which they are responsible under the contract by end of July 2025 (to be reflected in developers' August 2025 quarterly data

returns to the Ministry of Housing, Communities and Local Government (MHCLG), except for any buildings where the developer has presented compelling evidence to MHCLG that a determination cannot be achieved due to factors outside the developer's control, and MHCLG (acting reasonably) agrees that the evidence demonstrates this to be the case.

- b. Where a developer has demonstrated to MHCLG that it cannot make a determination by July 2025 despite having pursued reasonable endeavours, due to factors outside a developer's control, developers commit to:
  - I. Report to leaseholders, residents and MHCLG regularly on action it is taking to secure a determination, until the determination has been made.
  - II. Work with the government to provide the information necessary to take enforcement action, where appropriate.
  - III. In cases where a third-party dispute is causing the delay, offer alternative dispute resolution in good faith.

#### **Government commits to:**

c. Ensure that reporting against this metric fairly represents cases where a developer has demonstrated that they have taken reasonable steps to make a determination.

Developers report that some buildings are stuck due to disputes between the developer and third parties, typically over licence conditions under which the developer may enter the building to assess it, or over the scope of works to be carried out. We will intensify joint work to overcome this.

#### **Developers commit to:**

- d. Alert MHCLG to any building where it is proving impossible to assess or proceed with remedial works due to a dispute between the developer and a third party.
- e. Pursue reasonable endeavours to resolve such disputes by end July 2025, including offering the Responsible Entity or third party alternative dispute resolution (with reference to guidance to be published by government). Report on offers made in quarterly data returns in August 2025.
- f. For any disputes that arise later than August 2025, pursue reasonable endeavours to resolve disagreements within 3 months, including offering the Responsible Entity or third party alternative dispute resolution (with reference to guidance to be published by government). Report on any offers made in relation to dispute-resolution in quarterly data returns.
- g. Once a dispute has been resolved, work with the Responsible Entity and third parties to ensure that remedial action is carried out as quickly as possible, and in line with other commitments in this plan: after a dispute is resolved, no determination should take longer than six months; and all remedial works should be started within 18 months of the dispute being resolved.

#### **Government commits to:**

h. Introduce guidance on alternative dispute resolution and a draft alternative dispute resolution agreement, as set out under clause 16.3 of the developer remediation contract, by March 2025. For avoidance of doubt, MHCLG's alternative dispute resolution procedure and guidance will be applicable only to disputes which occur prior

to entry into a Works Contract or where any Works Contract does not contain an alternative dispute resolution clause. Where a Works Contract has been signed by the developer and Responsible Entity for the building which does contain an alternative dispute resolution clause, the agreed terms of that Works Contract will apply in relation to any dispute-resolution procedure between the parties.

- i. Advise Responsible Entities that it expects them to play their part in resolving the dispute quickly and in good faith.
- j. Support work by developers to develop template agreements, including a standard access licence agreement, to minimise time spent by developers and Responsible Entities on negotiating a bespoke agreement for each building.
- k. Publish guidance for Responsible Entities to address common misconceptions and questions relating to the developer remediation contract, including for which types of remediation works and third party costs developers are liable.
- l. Intensify work with developers to resolve cases where a building is 'stuck' due to the behaviour of third parties outside of a developer's control.
- m. Work with regulators and Parliament to intensify enforcement action against any Responsible Entities and freeholders who fail to take reasonable action to make sure that their building is remediated. The Government's *Remediation Acceleration Plan* sets out further detail.

# 3. Improve quality of assessments used to determine whether buildings require remedial works

Under the terms of the developer remediation contract, developers are responsible for assessing their buildings and determining whether remediation is necessary, as well as the scope of any required remedial works.

High-quality, independent assessments give residents information on the safety of their homes and provide assurance that any remedial works are carried out to the appropriate standards. They also assist underwriters to price insurance based on actual risk.

We will improve the quality of assessments obtained by developers and move speedily to resolve any cases where an assessment is found to be non-compliant with the standard set out in the contract.

# **Developers commit to:**

- a. Use independent, competent fire risk assessors to undertake assessments of all buildings, including consideration of fire risk assessors on the Cladding Safety Scheme Fire Risk Assessor Panel.
- b. Where an audit commissioned by MHCLG finds that an assessment used by a developer to determine whether a building requires works fails to meet the standard set out in the developer remediation contract, the developer will either (1) resolve all the issues identified in the audit report as soon as reasonably practicable, (2) raise any disagreement with MHCLG regarding an audit outcome within 10 business days of receiving an outcome, or (3) agree to obtain an alternative assessment to be carried out by an independent, suitably competent assessor selected by MHCLG (acting reasonably) from the Cladding Safety Scheme Fire Risk Assessor Panel to resolve any disagreement.

c. Update residents and leaseholders quickly on any audit findings related to assessments of their buildings.

#### **Government commits to:**

- d. Commission audits of pre-works and post-works building assessments obtained by developers and publish developer performance against audits (only where outcomes have been shared with the developer).
- e. From March 2025, endeavour to inform developers of the outcome of an audit within 12 weeks of MHCLG having notified the developer of its intention to commission an audit. Where it takes longer than 12 weeks to inform the developer of the outcome of the audit, MHCLG will inform the developer of the reason for the delay and next steps.

## 4. Accelerate starts and completions of remedial works

Developers have made progress but as of July 2024 remedial works had started in fewer than half of buildings known to require remedial works under the developer remediation contract. Developers and government will work together to accelerate progress.

#### **Developers commit to:**

- a. Start or complete works on at least 80% of their buildings requiring works by end July 2026 (to be reflected in developers' August 2026 quarterly data returns to MHCLG), except for any buildings where the developer has presented compelling evidence to MHCLG that a start cannot be achieved due to factors outside the developer's control, and MHCLG (acting reasonably) agrees that the evidence demonstrates this to be the case.
- b. Start works on 100% of buildings requiring works by end July 2027 (to be reflected in developers' August 2027 quarterly data returns to MHCLG), except for any buildings where the developer has presented compelling evidence to MHCLG that a start cannot be achieved due to factors outside the developer's control, and MHCLG (acting reasonably) agrees that the evidence demonstrates this to be the case.
- c. Prioritising the order of remedial works with regard to the life-critical fire-safety risk of each building.
- d. Regularly update MHCLG on progress towards meeting these commitments.
- e. Where progress is delayed due to a factor outside the developer's control, (including a dispute with a third party), developers commit to the following:
  - I. Where such delay is due to a third party dispute, pursue reasonable endeavours to resolve the dispute, including offering an appropriate form of alternative dispute resolution in good faith.
  - II. Report to leaseholders, residents and MHCLG regularly on action taken to start or complete works.
  - III. Inform MHCLG of any 'stuck' buildings so that government and regulators can consider mediation or enforcement action.

## **Government commits to:**

f. Report developer performance so that residents and the public understand what progress the developer is making to remediate its buildings. Government will ensure that this reporting fairly represents cases where a developer has demonstrated to

MHCLG's satisfaction that the developer has taken reasonable steps and that any delay is caused by factors outside of the developer's control.

- g. Work with developers to unblock barriers to remediation:
  - I. Work with the Building Safety Regulator to minimise unnecessary delays to the gateways process without compromising regulatory oversight.
  - II. Work with regulators to unblock progress on 'stuck' buildings. The Government's *Remediation Acceleration Plan* sets out further detail on action to make sure that freeholders act to remediate their buildings.

# 5. Expedite cost-recovery negotiations with social housing providers to accelerate remedial works

Developers and Government recognise that ending the building safety crisis extends beyond buildings covered by the developer remediation contract.

Registered Providers of Social Housing report that some remedial works are being delayed by protracted negotiations or litigation to secure contributions from the design and build contractors that were responsible for constructing their defective social housing buildings.

We want developers and Registered Providers of Social Housing to reach agreements on developers' contributions costs as quickly as possible so that remediation of social housing can progress without delay.

# **Developers commit to:**

- a. Pursue reasonable endeavors to rapidly conclude any outstanding negotiations and agree any remediation contributions to Registered Providers of Social Housing for remediation of social housing, in cases where the developers acted as a contractor on social housing buildings and is obligated to contribute towards remediation.
- b. For any buildings currently subject to cost-recovery negotiations, make every effort to reach an agreement by July 2025.
- c. For any relevant buildings that subsequently come to light, make every effort to reach agreements as quickly as possible within 6 months. Where it is not achievable to reach an agreement with the Registered Provider of Social Housing within this time period, despite reasonable endeavours pursued by the developer, report to MHCLG on steps taken to resolve.

## **Government commits to:**

- d. Work with developers and Registered Providers of Social Housing to develop options to accelerate dispute resolution.
- 6. Establish developer-MHCLG Remediation Action Group

#### **Developers and government commit to:**

- a. Establish a Remediation Action Group that will convene regularly and collaborate to overcome barriers to remediation and deliver an improved resident experience. The group will consider issues including but not limited to:
  - I. Tougher enforcement against third parties unreasonably blocking remediation.

#### **OFFICIAL**

- II. Options, potentially including legislative changes, to make it possible for developers to secure contributions towards remediation costs from construction product manufactures, as part of the government's systemwide reform of the construction products regulatory regime.
- III. Template agreements that will reduce the need for bespoke documentation for every building requiring remediation, including standard access licence agreements and letters of comfort for leaseholders.
- IV. Best practice on resident engagement and the Code of Practice for the remediation of residential buildings.

#### Notice:

- The above plan is not intended to create binding legal rights or obligations or to vary in any way the terms of the developer remediation contracts. The intention of this Joint Plan is to accelerate the remediation of unsafe buildings. The terms of a developer remediation contract shall in all cases continue to apply, including if a developer remediation contract requires performance of any of these commitments by a time earlier than specified in the above commitments. This Joint Plan shall not give rise to any waiver or estoppel or similar of any right or obligation under the developer remediation contract. This plan does not alter in any way whatsoever any of the legal obligations set out in the developer remediation contract or the Self-Remediation Terms, or the membership conditions of the statutory Responsible Actors Scheme.
- The Government has published a broader *Remediation Acceleration Plan* in parallel with this joint plan.