## Department for Levelling Up, Housing & Communities

Andrew Bulmer Chief Executive Officer The Property Institute

Melanie Leech Chief Executive British Property Foundation

## **Rt Hon Michael Gove MP** Secretary of State for Levelling Up, Housing and Communities Minister for Intergovernmental Relations

Department for Levelling Up, Housing and Communities 4th Floor, Fry Building 2 Marsham Street London SW1P 4DF

Email: Michael.Gove@levellingup.gov.uk

27 June 2022

Dear Andrew & Melanie,

## THE BUILDING SAFETY ACT 2022

I am writing to you as the major representative bodies for residential managing agents and landlords. This letter is also being published online and is intended for the information of any company or entity that owns, leases out or manages a building with life-critical building-safety risks.

The leaseholder protection provisions of the Building Safety Act come into force tomorrow, at which point landlords will be financially liable, in law, for the remediation of historical building-safety defects. Moreover, the ultimate owners of buildings can no longer hide behind shell companies: they must take responsibility for the dangerous buildings they own.

The law as it previously stood allowed your members to charge all leaseholders for the full cost of all necessary remediation work. That has led to a situation where managing agents and freeholders are sending people invoices for hundreds of thousands of pounds that would bankrupt families and leave leaseholders facing financial ruin. Those days are now over, and the Act means qualifying leaseholders can thankfully dispose of these invoices.

I am concerned by some reports that agents are attempting to continue to send invoices to leaseholders that would violate the Building Safety Act protections, which will apply retrospectively. It is important to be clear – from tomorrow, anyone who chooses to breach the statutory protections will be committing a criminal offence. Individuals involved in such criminal activity could face up to 10 years in prison, in addition to the consequences for their companies. Criminal exploitation of leaseholders will be treated as a matter of the utmost seriousness.

Responsible building owners will have advanced plans to comply with all the provisions of the Building Safety Act, including those yet to come into force. They will have ensured their buildings have updated fire risk assessments, reflecting the latest guidance on proportionality: we must bring an end to the overuse of waking watches, and recognise where mitigation is more appropriate than remediation. Where cladding requires removal and your developer has not pledged to fix their own buildings, you will have full assessments ready to submit to either the Building Safety Fund, which is shortly to reopen for applications, or the new medium-rise fund that will be launched soon. Through all this, responsible building owners will consult and inform the leaseholders whose interests must be at the heart of all our efforts. I am grateful to those of your members who have already undertaken the steps above.

Building owners have a legal responsibility to make buildings safe. My Department has secured unprecedented pledges from developers to fix buildings they constructed, and stands ready to contribute with substantial funding to fix dangerous cladding on medium and high rise buildings. Building owners and managing agents must also now act.

Relevant authorities have the power to compel responsible entities to fund and undertake this work. I hope that it will not be necessary to do so, but I must be clear that if I am not satisfied, I will act to protect leaseholders. Not only am I prepared to exercise my new legal powers under the Act, but my new Recovery Strategy Unit will also identify and pursue this kind of behaviour, working closely with other enforcement authorities. Any such action would undoubtedly, and rightly, harm the reputations of those we need to pursue. We are now five years on from the Grenfell tragedy and we should all want to fix dangerous buildings as soon as possible.

I am copying this letter to the Home Secretary, the Chair of the National Police Chiefs' Council, the Chief Inspector of Buildings, and the Metropolitan Police Commissioner.

With every good wish,

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## Rt Hon Michael Gove MP Secretary of State for Levelling Up, Housing and Communities and Minister for Intergovernmental Relations

cc: The Home Secretary Martin Hewitt, Chair, National Police Chiefs' Council Commissioner, Metropolitan Police Cllr. James Jamieson, Chair, Local Government Association Peter Baker, Chief Inspector of Buildings