

What you need to know about the Cladding Safety Scheme



Introduction

On 24 July 2023, the government <u>announced</u> that the Cladding Safety Scheme (or 'the scheme') will be opening to remediate unsafe cladding on medium- and high-rise buildings in England. The scheme was formerly known as the Medium Rise Scheme and was announced in November 2022 with an accompanying pilot programme.

The Cladding Safety Scheme is designed to meet the costs of addressing life safety fire risks associated with cladding on residential buildings over 11 metres in height outside of London, and between 11 and 18 metres in height in London. It is the latest funding development in the government's programme to remediate unsafe cladding in buildings. It will be administered by Homes England, who have published detailed guidance documents about the scheme and how to apply.

This what you need to know guide sets out who can apply for the scheme, what buildings are eligible, what measures the scheme can fund, how to apply, and the other key things you need to know.

Who can apply to the Cladding Safety Scheme?

The Cladding Safety Scheme will support privately owned buildings as well as the social housing sector.

For both the private sector and social sector, applications are open to the 'Responsible Entity' for a building. This is the person or organisation legally responsible for a building's external repair and maintenance. The Responsible Entity must be one of:

- The building's freeholder or head leaseholder
- A registered provider of social housing
- A management company (whether this operates for commercial gain or is managed by residents for the benefit of residents)

 A right to manage (RTM) company that has primary responsibility for the repair of the property.

The applicant must be the Responsible Entity but can also be a representative acting on their behalf. When applying through a representative, they will need to provide evidence that they can legally act on behalf of the Responsible Entity.

What buildings are eligible?

The scheme is open to remediate residential buildings over 11 metres in height outside of London, and between 11 and 18 metres in height in London. In London, buildings above 18 metres in height will continue to be supported by the **Building Safety Fund**, operated by the Greater London Authority. If you are not sure of the height of your building, the government has released detailed measurement guidance to support you, and the scheme guidance also contains information about specific types of building (e.g. linked or physically connected buildings, buildings combined to create larger blocks). The scheme will not support the remediation of buildings where works started on site before 10 January 2022.

To be eligible, the building must have cladding, using the definition of cladding set out in PAS 9980:2022. You must also have a Fire Risk Appraisal of External Wall construction (FRAEW) undertaken if the building is deemed to require one by a qualified assessor. An FRAEW recommends work to address life safety fire risks associated with cladding and the external wall system using PAS 9980:2022. Once you have set up an account for the scheme and submitted some initial information, you will be able to commission a FRAEW from one of the scheme's approved panel of Fire Risk Assessors. The assessor will decide if a formal FRAEW is required. The guidance notes that you can use an assessor not on Homes England's panel, but only before 1 November 2023, where it will be compulsory.

If required, the completed FRAEW needs to be submitted as part of the application for funding, and must provide:

- At least the basic level of information set out in section 15 of PAS 9980:2022.
- A FRAEW summary template in the format supplied by Homes England with the information needed for the scheme application.
- A clear statement of the qualifications, competence, and experience of the assessor at the beginning.

The FRAEW must also:

- Follow the methodology set out in PAS 9980:2022.
- Be conclusive about the level of risk against the benchmark criteria as set out in PAS 9980:2022.
- Propose a solution that will reduce the risk to a level that can be considered tolerable when assessed against the principles set out in PAS 9980:2022.

What will the scheme fund?

The Cladding Safety Scheme is making two types of funding available:

- Pre-tender support funding, which will not be available for social housing sector applicants
- Full cost funding.

The scheme will fund the cost of a wide range of works required for the remediation of mediumand high-rise buildings. The table below shows what is in and out of scope. The guidance states that reasonable costs need to be informed by an industry standard approach to specification and procurement of works.

In scope of funding

- Works directly related to the recommendations of a FRAEW (following PAS9980:2022 methodology) conducted on a building with cladding
- Appropriately and directly related to eligible works (e.g. scaffolding, mast climber etc.)
- Removal and disposal of existing cladding that is associated with fire risk
- Replacement materials
- Labour and reasonable costs to the contractor
- Reimbursing costs of a FRAEW if it meets our eligibility requirements
- Professional team fees in respect of qualifying items
- Managing agents' fees for managing works in the scheme and keeping leaseholders and residents informed about the works
- Extraordinary technical requirements which incur extra costs essential to but not normally associated with removing and replacing cladding may be included
- Legal costs which an applicant is unable to recover, having successfully taken legal action to recover the cost of works to cladding from the original owner, developer or cladding installer.

Out of scope

- Wider redecoration, renewal, and general maintenance
- The replacement of windows or other elements
- Maintenance, repair, or renewal costs
- Other necessary fire safety works which are not related to life safety fire risks associated with cladding or the external wall system
- Operational running or maintenance costs of measures installed using the scheme, including those associated with interim measures such as Waking Watch.
- Managing agents' fees to deliver noneligible works
- Costs associated with any legal claims applicants may bring against third parties such as their professional team or chosen contractors, for example.

Meeting the needs of residents and leaseholders

The guidance stipulates that you will have to consider the impact of building safety works on leaseholders and residents, and take reasonable steps to minimise the impact of remediation works on their lives. You will be expected to ensure that those undertaking the works are part of the **Considerate Constructors**Scheme, and you will need to think about how you phase the work, ensure resident privacy, and manage any issues associated with noise, light, and ventilation.

In addition to this, the guidance emphasises that you will need to keep residents and leaseholders updated at key milestones and at any time upon their request. You will need to evidence you've done this by providing Homes England with an anonymised sample of communications you have sent to residents and leaseholders at each milestone. The key milestones are:

- Eligibility application submitted
- Eligibility outcome
- Works application submitted
- Project procurement, including relevant timescales and potential causes of delays
- Outcome of application, including receipt and confirmation that the grant funding agreement has been signed
- Commencement of works, including an estimated start-on-site date and end date
- Works completed.

As part of this process, Homes England will be publishing a survey for residents and leaseholders so they can provide their views and feedback on how their remediation work is going. You will have a role to play in making sure they know this survey exists, and encouraging them to fill it in.

How can I apply?

Homes England have published <u>detailed</u> <u>guidance</u> on how to apply for the scheme, and the different steps you need to take. The application portal is <u>available here</u>. We would recommend you read the full guidance to familiarise yourself with its detail. The key application steps are:

Step 1: Register and submit initial information about your building(s) and the Responsible Entity. If a representative is applying on behalf of the Responsible Entity, this is also the point to submit additional information about the roles and responsibilities of the representative.

Step 2: Commission a FRAEW from one of Homes England's accredited panel of firms, also known as the assessor panel. They will decide if you need a detailed FRAEW, carry one out, and help you with collating and submitting the information back to Homes England.

Step 3: Homes England will confirm whether the building and FRAEW outcome have resulted in an eligible decision. If you are not deemed eligible or Homes England have concerns about your application, they will engage with you to discuss any next steps.

Step 4: The grant funding agreement will be signed between Homes England and the person or organisation that will receive grant funding. This will be accompanied by any pretender funding, which will be paid to you at this step.

Step 5: You will be provided with more detail on the information Homes England requires on your works and costs, and given the go ahead to design and tender for the eligible works. Once you are ready, you will submit a full works and cost application after you have gone out to tender and selected a preferred contractor to carry out the works. You will also be required to update Homes England monthly on your progress, including on works specification and appointing the team of professionals you will need for the works.

Step 6: Homes England will carry out a review of your full works and cost application. If approved Homes England will review and confirm their decision. From this point, you will then sign the finalised agreement and accompanying documents.

Completion and scheme exit: When the project is completed, you will need to provide Homes England with evidence of sign off from your grant certifying officers and building control and the final account information. Homes England will also require the FRAEW following PAS 9980:2022 methodology to be updated to consider the work which has been done to address the life safety fire risks associated with the cladding and external wall systems present on the building, and to confirm that these risks have been reduced to a level that places overall fire safety risk at the building to a tolerable level

What else do you need to know?

One important thing to be mindful of is that the Cladding Safety Scheme will not support the remediation of buildings that a developer has agreed to fund through the <u>Developer Pledge</u> and associated <u>Responsible Actors Scheme</u>. This is the scheme whereby leading residential developers will remediate life critical fire safety works in buildings over 11 metres that they have played a role in developing or refurbishing over the last 30 years in England.

If you think you have an eligible building, it is therefore a good idea to check who originally developed it. If they have already signed up to the **Developer Pledge**, fixing the cladding is their responsibility and the building will not be eligible for the Cladding Safety Scheme, and

you will be expected to take reasonable steps to get them to remediate the unsafe cladding.

In the guidance, the government is (correctly) encouraging you to apply as soon as possible, so that the works to make buildings safe can be carried out swiftly. Government has emphasised recently that it will begin taking enforcement action if it does not think building safety remediation is progressing quickly enough. It is therefore a good idea to start thinking about your application as soon as you can, and instigating step 1 by registering any buildings you think are in scope of the fund.

Where can I get further information?

For further guidance, please see the scheme documents linked below:

- Cladding Safety Scheme guidance overview
- Applying for funding for the Cladding Safety Scheme guidance
- Cladding Safety Scheme application portal

CIH will keep a watching brief on the development and functionality of the scheme, and we welcome feedback from CIH members on any issues or practical problems that they might encounter when applying. To share any comments or questions, please contact our policy team.

