PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

BUILDING SAFETY BILL

Fifteenth Sitting

Tuesday 26 October 2021

(Morning)

CONTENTS

New clauses under consideration when the Committee adjourned till this day at Two o'clock.

No proofs can be supplied. Corrections that Members suggest for the final version of the report should be clearly marked in a copy of the report—not telephoned—and must be received in the Editor's Room, House of Commons,

not later than

Saturday 30 October 2021

The Committee consisted of the following Members:

Chairs: Philip Davies, †Peter Dowd, Clive Efford, Mrs Maria Miller

† Amesbury, Mike *(Weaver Vale)* (Lab)
† Bailey, Shaun *(West Bromwich West)* (Con)
† Baillie, Siobhan *(Stroud)* (Con)
† Byrne, Ian *(Liverpool, West Derby)* (Lab)
† Cadbury, Ruth *(Brentford and Isleworth)* (Lab)
Clarke, Theo *(Stafford)* (Con)
† Clarke-Smith, Brendan *(Bassetlaw)* (Con)
† Cooper, Daisy *(St Albans)* (LD)
† Hopkins, Rachel *(Luton South)* (Lab)
† Hughes, Eddie *(Walsall North)* (Con)
† Logan, Mark *(Bolton North East)* (Con)
† Mann, Scott *(Lord Commissioner of Her Majesty's Treasury)*
Osborne, Kate *(Jarrow)* (Lab)
† Pincher, Christopher *(Minister for Housing)*
† Rimmer, Ms Marie *(St Helens South and Whiston)* (Lab)
† Saxby, Selaine *(North Devon)* (Con)
† Young, Jacob *(Redcar)* (Con)

Yohanna Sallberg, Adam Mellows-Facer, Abi Samuels, *Committee Clerks*

† attended the Committee

Public Bill Committee

Tuesday 26 October 2021

(Morning)

[Peter Dowd *in the Chair*]

Building Safety Bill

New clause 21

Requirement for completion certificate before occupation

"(1) This section applies if any of the following works are carried out—

(a) the construction of a higher-risk building;

(b) the creation of additional residential units in such a building;

(c) works to a building that cause it to become a higher-risk building.

(2) If a relevant residential unit is occupied before a completion certificate relating to a relevant part of the building is issued, the relevant accountable person commits an offence.

(3) It is a defence for a person charged with an offence under this section to prove that the person had a reasonable excuse for the residential unit being occupied before such a completion certificate was issued.

(4) A person guilty of an offence under this section is liable—

(a) on summary conviction, to imprisonment for a term not exceeding the statutory maximum for either-way offences or a fine (or both);

(b) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both).

(5) In this section—

'completion certificate' means a certificate of a prescribed description that is issued under regulations made under section 1(1) of the Building Act 1984 (building regulations);

'occupied': a residential unit is occupied if there is a resident of it;

'relevant accountable person', in relation to a residential unit, means the accountable person who is responsible for a relevant part of the building;

'relevant part' of a building, in relation to a residential unit, means a part of the building containing the residential unit;

'relevant residential unit' means—

(a) in the case of works within subsection (1)(a), any residential unit in the building;

(b) in the case of works within subsection (1)(b), any additional residential unit;

(c) in the case of works within subsection (1)(c), any residential unit in the building except one that existed before the works began.—*(Eddie Hughes.)*

This new clause creates an offence where a new residential unit in a higher-risk building is occupied without a completion certificate having been issued in relation to it.

Brought up, and read the First time.

9.25 am

The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Eddie Hughes): I beg to move, That the clause be read a Second time.

The new clause is technical and ensures that the hard stop to occupation intended at gateway 3 will apply when high-rise residential buildings that are 18 metres or more in height, or at least seven storeys, are occupied in phases. These are defined in part 4 of the Bill as higher-risk buildings. Dame Judith Hackitt's recommendation was that duty holders meet applicable building regulation requirements before starting work and before occupation begins. Gateway 2 will take place at the current deposit of plans stage, before building work starts. Gateway 3 will take place at the current completion certificate stage when building work is complete. At gateway 3 the duty-holder will make a completion certificate application, reflecting the "as built" building. The Building Safety Regulator will assess the application, carry out a final inspection of the building work and, if satisfied, issue a completion certificate as evidence that the building work complies with all applicable building regulation requirements. Once a completion certificate has been issued, the principal accountable person will be able to register the building and legally commence occupation. The Bill therefore creates a hard stop, via clause 73, which makes it an offence to occupy two or more units of a higher-risk building before registration.

The registration of higher-risk buildings will be a one-off. As buildings are often occupied in stages, that means that there would not be a hard stop for subsequent phases of occupation. That does not meet the policy intent of ensuring that building work is signed off as compliant with building regulation requirements before the building, or parts of it, is occupied. The new clause would therefore make it an offence for an accountable person to allow occupation of a single residential unit, or more, in part of a higher-risk building unless a completion certificate has been issued for the relevant building work. That will apply to new builds and extensions to higher-risk buildings, or to works that create a higher-risk building. The prohibition would apply to any new residential units created. Additionally, we wish to make an accountable person liable if they permit occupation of the building, or parts of it, without a completion certificate, with the principal accountable person's knowledge.

The Chair: Just for my pedanticness, may I say that Members may take their jackets off if they so wish?

Mike Amesbury (Weaver Vale) (Lab): It is a pleasure to serve under your chairmanship once again, Mr Dowd. The new clause is technical and the Opposition do not wish to oppose it.

Ian Byrne (Liverpool, West Derby) (Lab): It is a pleasure to serve under your chairmanship, Mr Dowd. May I ask the Minister, where would the completed certificate be displayed within the building so that residents might see it?

Eddie Hughes: In line with other elements of the Bill, the certificate would be displayed in a prominent location.

Question put and agreed to.

New clause 21 accordingly read a Second time, and added to the Bill.

New clause 3

Duty on the Secretary of State to report on designations under Part XVI of the Housing Act 1985

"(1) Within the period of six months beginning with the day on which this section comes into force, the Secretary of State must—

(a) consider the financial impact on leaseholders in England and Wales of building safety advice given by his department since 14 June 2017; and

(b) in conjunction with the Treasury and the Prudential Regulation Authority, consider the impact of building safety advice given by his department since 14 June 2017 on the supply of mortgage finance for leasehold flats in England and Wales; and

(c) publish a report setting out his determination, in light of the factors identified in paragraphs (a) and (b), as to whether designations under section 528 or section 559 of the Housing Act 1985 would improve conditions for leaseholders, or would improve the supply of mortgage finance for leasehold flats in England and Wales.

(2) If the Secretary of State's report under subsection (1) concludes that designations under section 528 or section 559 of the Housing Act 1985 would improve financial conditions for leaseholders in England and Wales, or would improve the supply of mortgage finance for leasehold flats in England and Wales, then at the same time as publishing his report he must—

(a) make arrangements to provide all necessary funding;

(b) make the appropriate designations under section 528 of the Housing Act 1985; and

(c) advise local housing authorities to make appropriate designations under section 559 of the Housing Act 1985.

(3) Before making any regulations bringing into force any section in Part 4 of this Act, the Secretary of State must make arrangements for—

(a) a motion to the effect that the House of Commons has approved the report prepared under subsection (1), to be moved in the House of Commons by a minister of the Crown; and

(b) a motion to the effect that the House of Lords to take note of the report prepared under subsection (1), to be moved in the House of Lords by a minister of the Crown.

(4) The motions required under subsections (3)(a) and (3)(b) must be moved in the relevant House by a Minister of the Crown within the period of five calendar days beginning with the end of the day on which the report under subsection (1) is published.

(5) If the motion tabled in the House of Commons is rejected or amended, the Secretary of State must, within 30 calendar days, publish a further report under subsection (1) and make arrangements for further approval equivalent to those under subsection (2).

(6) The Secretary of State shall make a further report under subsection (1) at least every 90 calendar days beginning with the day of any rejection or amendment by the House of Commons under subsection (5) until otherwise indicated by a resolution of the House of Commons.

(7) In this section—

'leaseholder' means the registered legal owner of a long lease; and

'long lease' has the same meaning as in section 76 of the Commonhold and Leasehold Reform Act 2002.

(8) This section comes into force on the day this Act is passed.—*(Daisy Cooper.)*

This new clause places a time-limited duty on the Secretary of State to consider making designations under Part XVI of the Housing Act 1985 to provide funding for cladding and fire safety remediation and for Parliament to approve the plans for doing so.

Brought up, and read the First time.

Daisy Cooper (St Albans) (LD): I beg to move, That the clause be read a Second time.

It is a pleasure to serve under your chairmanship, Mr Dowd. The new clause places a time-limited duty on the Secretary of State to consider making designations under part 16 of the Housing Act 1985 to provide funding for cladding and fire safety remediation and enables Parliament to approve the plans for doing so.

The principle behind the new clause will be well known to Committee members and, indeed, Members from right across the House. It comes from the eye-watering costs faced by fire safety victims. Earlier in Committee proceedings, we took evidence from Alison Hills, Stephen Day and End Our Cladding Scandal. All talked about the enormous bills they face and the fact that they simply cannot afford to pay them. The new clause requires the Government to report on whether the process of designating these premises as defective could improve leaseholders' financial position. The 1985 Act presents an interesting precedent of a Conservative Government intervening to establish a scheme to reimburse people who later found themselves to be living in defective premises. The grant funding under the Act covered only 90% of remediation costs; alternatively, it would purchase the home for 95% of the defect-free value.

As drafted, the new clause, tabled in the name of the hon. Member for Stevenage (Stephen McPartland), has a couple of challenges, but neither is insurmountable. The 1985 Act scheme applies only to homes purchased from a public authority, but I am sure the Government can find a way to amend that Act—through primary legislation or perhaps by accepting the new clause—so that it applies to the current crisis and bring forward a new proposal to include defective private homes.

The other issue is that the definition of defects in the 1985 Act focused on modes of construction, rather than the specific defects that need to be remediated. It would be a little tricky, but not impossible, for the Government to capture all the fire safety defects they would want covered under the new clause. Indeed, they could introduce statutory instruments that list them, or they could put a duty on the new Building Safety Regulator to report to the Secretary of State on what should and should not be included.

There are obstacles to overcome, but as I say, they are not insurmountable. The question is whether the Government want to overcome them. If the Government continue to refuse to resolve this crisis, Back-Bench Members will continue to find every opportunity to use the Bill to make sure that we can protect leaseholders from these enormous, eye-watering costs. Thatcher's Government had the compassion and foresight to ensure that those who bought their homes under the right to buy were not left with defective homes through no fault of their own. If even Thatcher's Government could do that, we hope that Johnson's Government can finally step up and do the same.

Mike Amesbury: Her Majesty's Opposition support the new clause. Fundamentally, and collectively, we will use every opportunity to try to protect leaseholders from historical remediation charges. As the hon. Member for St Albans argued, where there is a will, there is certainly a way.

The Minister for Housing (Christopher Pincher): It is a pleasure to serve under your chairmanship, Mr Dowd, and I welcome the Committee to the last day of its deliberations on the Bill—and also, may I say, the 70th anniversary of the re-election of Sir Winston Churchill's 1951 Government, which of course was a great home-building Government.

I thank the hon. Member for St Albans for having raised this important matter, and I entirely understand the motivations that lie behind her attempts to insert

[Christopher Pincher]

this new clause into the Bill, but I am afraid that I will not be able to accept it. Let me explain why, but first, by way of parenthesis, remind the Committee of the unprecedented commitment that the Government have already made: £5 billion of taxpayers' money invested in grant funding for cladding remediation in buildings of 18 metres and above. As we know, that will protect hundreds of thousands of leaseholders from the cost of remediating unsafe cladding on their homes. We are also stepping in to provide a generous finance scheme for the remediation of lower-rise and, to that extent, lower-risk buildings, which we will say more about later.

I am afraid that our assessment of this proposed new clause is that, although it is well intentioned, it is disproportionate and does not strike the right balance between funding from the private and public purse. If passed, this new clause would mean that private and social buildings of any height could potentially be designated as defective and be eligible for grant funding of 90% of the property's value, or repurchase by the local authority if we take the two measures together. New clause 3 lacks detail about the types of dwelling covered and clarity about the types of remediation or remediation works to be covered, which provides ample scope and grounds for all sorts of legal interpretation. It is important that our funding decisions are proportional, to ensure that taxpayers' money is used effectively and protected as far as possible.

I should also point out the unintended—and I am sure that it is unintended—but necessarily consequential effect that this new clause would have on local government. It would place a responsibility on local authorities to purchase defective properties, which in a number of cases would place significant strain on those local authorities. In the past two years, Wandsworth has seen an average uplift in funding of 4.5%. The figure in Lewisham is 5%, and in Enfield it is 4.8%. The Committee needs to recognise the excessive burden that potential costs may impose on local government.

The hon. Member for St Albans mentioned the Housing Defects Act 1984, which is the predecessor of the 1985 Act that this new clause seeks to amend. That Act was designed for very different conditions: the policy was introduced due to issues with the post-war social housing stock. If we compare the costs of the 1984 scheme to which she referred with those of today, we see that the cost burden then was substantially lower than the estimates for remediation required now. In today's money, the Housing Defects Act was about three times less costly in terms of grant funding than present remediation costs.

The hon. Lady said in her remarks—I entirely understand why she made them—that there are obstacles to the success of this new clause, and that it is for the Government to find a way. I gently say to the Committee that it is for whoever tables a new clause to find a way to make it work, because it is not the job of this Committee to make bad or defective laws, suggestions or reports to the House of Commons. Proposed new clauses or amendments need to be able to work; otherwise it is the Committee's duty to ask the proposer to withdraw the motion or to vote against it because it does not do the job for which it is intended. I am grateful to the hon. Lady for her suggestions, but I respectfully ask that she withdraw the proposed new clause.

Daisy Cooper: I will respond briefly before deciding. I thank the Minister for his considered response. He said that the funding required under the new clause would create a disproportionate burden on the public finances. He will of course be aware that new clause 4, which we will discuss next, proposes a mechanism to enable the Government to recoup some of the costs from those responsible.

The Minister's second point was about the excessive burdens that would stem from the new clause, but if those burdens do not fall on the state, they fall on leaseholders, who are the innocent parties—the only innocent parties—in all this, so I ask him and the Government to reflect on that.

The Minister's third point was that it is not the role of the Committee or the Government to fix the new clauses. I respectfully say that it would be entirely possible for the Government to fix this particular problem without requiring any amendments or new clauses at all, because they have set up the building safety fund without creating legislation. They could extend the fund and get on with the job of making people's homes safe within months, but they choose not to, which is why it falls to Back Benchers to bend over backwards to find ways of forcing the Government to do the right thing. None the less, I am happy at this stage of proceedings to beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

New Clause 4

Building Safety Indemnity Scheme

"(1) There shall be a body called the 'Building Safety Indemnity Scheme' (referred to in this Act as 'the Scheme').

(2) The purpose of the Scheme shall be to collect money from levies and to disburse the money raised from those levies in the form of grants to leaseholders to pay all or any part of the following types of costs—

(a) remediation of any defect in any external wall of any building containing two or more residential units; or

(b) remediation of any defect in any attachment to any external wall of any building containing two or more residential units; or

(c) remediation of any internal or external defect other than a defect described in paragraphs (a) or (b); or

(d) any building safety works carried out by an accountable person under section 84; or

(e) any other cost of a type specified by the Secretary of State in regulations made under this section.

(3) The Scheme may disburse money for the benefit of leaseholders in any type of building, whether or not a higher-risk building and whether or not the building was completed before the coming into force of this Act.

(4) The levy imposed by the Scheme shall be determined by reference to each of the following—

(a) the Scheme's best estimate of the reasonably likely total cost grants to cover any type of cost described in subsection (2);

(b) the Scheme's best estimate of the costs of raising and administering the levy; and

(c) the Scheme's best estimate of the costs of processing applications for grants to leaseholders and disbursing funds to leaseholders from monies raised by the levy.

(5) Members of the Scheme subject to levies shall include the following—

(a) any person seeking building control approval from the Regulator;

(b) any prescribed insurer providing buildings insurance to buildings containing two or more residential units, whether or not the buildings are higher-risk buildings;

(c) any prescribed lender providing mortgage finance in the United Kingdom, whether or not secured over residential units in higher-risk buildings; and

(d) any other person whom the Secretary of State considers appropriate.

(6) The Scheme is to consult with levy paying members before determining the amount and duration of any levy.

(7) The Scheme must provide a process by which leaseholders, or persons acting on behalf of leaseholders, can apply for grants for the types of costs specified in subsection (2).

(8) The Scheme must provide an appeals process for the Scheme's decisions regarding—

(a) the determination of the amount of any levy; or

(b) the determination of any grant application.

(9) A building control authority may not give building control approval under the Building Act 1984 to anyone unless—

(a) the person seeking building control approval is a registered member of the Scheme, or that person becomes a registered member of the Scheme; and

(b) the person seeking building control approval pays all levies made on that person by the Scheme under subsection (3).

(10) Any liability to pay a levy under this section does not affect the liability of the same person to pay an additional levy under section 57 of this Act.

(11) Within a period of 12 months beginning with the coming into force of this section, the Secretary of State must make regulations providing for—

(a) the appointment of a board to oversee the Scheme;

(b) the staffing of the Scheme;

(c) the creation and maintenance of a register of members of the Scheme;

(d) the preparation of the best estimates described in subsection (3);

(e) the amount, manner and timing of payment of the levies on members of the Scheme under this section;

(f) the process of joining the Scheme;

(g) the process of leaseholders applying to the Scheme for grants towards any of the types of costs specified in subsection (2);

(h) the process for handling any appeals against decisions of the Scheme on any levy or any grant;

(i) the Scheme to make an annual report to Parliament; and

(j) any other matters consequential to the Scheme's operation.

(12) Regulations made under this section are to be made by statutory instrument.

(13) A statutory instrument under this section may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.

(14) In this section—

'building' has the same meaning as in section 29;

'building control approval' has the same meaning as in paragraph (1B)(2) of Schedule 1 to the Building Act 1984;

'building control authority' has the same meaning as in section 121A of the Building Act 1984;

'defect' means anything posing any risk to the spread of fire, the structural integrity of the building or the ability of people to evacuate the building, including but not limited to any risk identified in guidance issued under Article 50 of the Regulatory Reform (Fire Safety) Order 2005 (S.I. 2005/1541) or any risk identified in regulations made under section 59;

'external wall' has the same meaning as in Article 6 of the Regulatory Reform (Fire Safety) Order 2005 (S.I. 2005/1541);

'higher-risk building' has the same meaning as in section 59;

'prescribed' means prescribed by regulations made by the Secretary of State;

'remediation' means any step taken to eradicate or to mitigate a defect, including employment of any person to temporarily assist in evacuation of any part of a building, and whether or not the defect in question existed at the date any residential unit in the building was first occupied. Remediation does not include anything required in consequence of omitting to effect reasonable repairs or maintenance to all or any part of the building over time, or anything which is the responsibility of an occupant of a residential unit within the building;

'residential unit' has the same meaning as in section 123.

(15) This section shall come into force on the day this Act is passed."—*(Daisy Cooper.)*

This new clause would require the government to establish a comprehensive fund, equivalent to the Motor Insurers' Bureau, to provide grants to remediate cladding and fire safety defects of all descriptions, paid for by levies on developers, building insurers and mortgage lenders.

Brought up, and read the First time.

Daisy Cooper: I beg to move, That the clause be read a Second time.

The new clause would require the Government to establish a comprehensive fund, equivalent to the Motor Insurers Bureau, to provide grants to remediate cladding and fire safety defects of all descriptions, paid for by levies on developers, building insurers and mortgage lenders. The End Our Cladding Scandal campaigners have made it clear that they would like the Government to find, fix and fund all historical fire safety defects, or, as I have put it on a number of occasions, stump up the cash, make homes safe and go after those who are responsible. New clause 4 is an attempt at doing that last bit—going after those responsible.

The Minister mentioned in his answer to the previous debate on new clause 3 that the Government have put forward £5 billion, but he will be aware that the Select Committee on Housing, Communities and Local Government estimates that the cost of remediation could be from £10 billion to £15 billion, and that in the absence of a scheme to legislate to ensure that those responsible pay those sums of money, they will fall on the shoulders of innocent leaseholders.

We do not know the exact figure, because we still do not have the full data on all dangerous cladding on buildings under 18 meters. There is no complete data for non-ACM cladding on buildings of all heights. There are numerous fire safety issues beyond flammable cladding where the data has not been collected: missing firebreaks, flammable balconies, non-compliant fire doors and so on. In Victoria, Australia, as we have learned, they moved quickly to find it, fix it and fund it.

In the new clause the hon. Member for Stevenage has proposed another solution that could be adopted to fund the remediation. The building safety fund of £5 billion is insufficient. The Government have so far refused to tell us whether they agree with the polluter pays principle, on which we took evidence from Steve Day. I tabled a parliamentary question a while ago asking the Government what assessment they had made of the polluter pays principle, and the answer is overdue.

[Daisy Cooper]

We have also heard mixed messaging. On the one hand, Ministers tell us that they are considering in detail the proposal for the polluter pays principle. On the other hand, they tell us that they are not sure it will work. It would be useful for the Committee to hear the Minister clarify what the Government's thinking is on the polluter pays principle. None the less, the new clause is before us.

Of course, there are drafting concerns with this new clause, but they could probably be fixed in the fullness of time. However, I repeat that this is an attempt by Back-Bench MPs to find a way to fix the cladding and fire safety scandal and to go after those who are responsible.

9.45 am

Mike Amesbury: I thank the hon. Member for St Albans for introducing and explaining the new clause. Again, Labour supports the fundamental principle of rectifying the situation for the hundreds of thousands of people caught in the building safety scandal—to find, fund, fix and recover, using the polluter-pays principle.

Christopher Pincher: Again, I am grateful to the hon. Member for St Albans for the new clause and for how she comported herself. She mentioned the outstanding parliamentary question and, once the Committee concludes today, I will search for it, search for the answer, and ensure that she receives it as quickly as possible.

While I understand the intent behind the new clause, I am unable to accept it today. I believe it is unnecessary, as its intention is already being met. As the hon. Lady said, and as I have expressed previously, significant funding for leaseholders and for remediation is being made available, and I will unpack some of that for the Committee.

The hon. Lady will know that we are spending a significant amount of money on the remediation of in-scope high-rise buildings that are clad with ACM. For 97% of ACM-clad buildings, remediation has either happened or is under way. For socially owned ACM-clad buildings, 100% have been or are being remediated. We have also made available money through the building safety fund to ensure that non-ACM-clad buildings are made safe. So far, £734 million has been allocated. A significant number of buildings have begun their remediation process and 689 have been allocated support.

We have also said that we will bring forward proposals to ensure that appropriate support is available to leaseholders and building owners in the 11 to 18-metre cohort. We are doing further work to assess the prevalence of such buildings, and that will inform the final solution that we land on. We are considering all options to ensure that leaseholders are protected and helped.

The hon. Lady asked whether we believe in the polluter-pays principle. It is a rather—how can I put it?—crude term, but we certainly want to ensure that those who have the responsibility for the defects that have bedevilled so many buildings, and those who own them, pay what they are due. That is why we have announced a residential property developers tax, which we estimate will raise £2 billion. Clause 57, which we have agreed to, gives powers for a building safety levy on high-rise developers. We estimate that that will account for some half a billion pounds of income, and that is due at the gateway to approval stage for the new building safety regime. We certainly believe that those who have the broadest shoulders and those who are responsible for the defects that affect a great many buildings should pay their way, but we believe that the new clause will not work because implementing it will be costly, slow and disproportionate to the financial returns and their timely receipt, and that the Government will need to create a new administrative board to manage the fund.

I should tell the hon. Lady and the Committee that the new clause also risks the mortgage and insurance industries bringing significant and protracted legal challenges. We want them to undertake a much more proportionate and sensible approach to value ascription and risk definition, rather than the risk-averse, computer-says-no approach that they have taken to date. I think this amendment would obscure that sensible and simple objective.

Ruth Cadbury (Brentford and Isleworth) (Lab): Why is something along the lines that the hon. Member for St Albans proposes not appropriate here but appropriate for the Motor Insurers Bureau? What else is the Minister doing to address the retrospective challenge of those buildings that are already built? The proposal he mentioned is for new buildings that will be completed only once this legislation is enacted.

Christopher Pincher: The hon. Lady is simply wrong; what I am saying is entirely retrospective. The £5.1 billion we have allocated for high-rise in-scope buildings is already allocated, and that is for buildings that already exist. The funding mechanism we will bring forward for buildings in the 11 to 18-metre cohort is for buildings that already exist, and the moneys that will be collected through the levy and the tax can be used for buildings requiring remediation that already exist.

Ruth Cadbury: With respect to the Minister, the point that this amendment makes is to ensure that the polluter pays. The grant from the Government appears to be all taxpayers' money and, from what I can tell, the Government are taking no action to hold to account financially those developers and builders who are the cause of the problem for residents now.

Christopher Pincher: Again, the hon. Lady is wrong; the residential property developer tax is a tax on the developer sector. The high-rise levy is a levy on the developer sector. We want to ensure we have a mechanism, and we believe we do have one, that is speedy, targeted and suitably flexible to meet the challenges of what we know to be a new—in the sense that it was not recognised until the Grenfell disaster—and evolving terrain.

Daisy Cooper: On the point about the residential property developer tax, which has been leaked to the press in advance of tomorrow's Budget, can the Minister confirm whether that will bring in additional money beyond the £5.1 billion that the Government have put forward, or will the residential property developer tax bring in money that will then add up to the £5.1 billion? Is it new money on top of that, or will it reduce the amount of money the Government have to spend?

Christopher Pincher: Whatever the hon. Lady has read in the newspapers before the Budget and the spending review, I can assure her that I will not add to the Chancellor's woes or indeed the annoyance of Mr Speaker by making further comments about it before it takes place.

With respect to the new clause, we believe there is a risk that it will not allow us to levy moneys effectively from the builders insurance and mortgage sectors. We do not believe that the design and implementation challenges of the amendment will result in a material return for the resources that will be expended to deliver it.

Finally, there may be an unintended and undesirable further outcome, which is that a levy on insurers and lenders could very well—indeed, probably will—affect insurance premiums and the cost of borrowing for leaseholders. Given the challenges they already face, that is something I am sure we would wish to avoid.

Mike Amesbury: The hon. Member for St Albans asked whether the levy, the proposed tax that was leaked to the press by Her Majesty's Treasury, made up part of the £5.1 billion. I note that the Minister did not answer that point, but it would be useful in terms of the journey of today's new clauses if he could answer that question.

Christopher Pincher: I am happy to say that we expect that to be additional funding, but I will certainly not comment further on what the Chancellor may or may not say in his remarks—*[Interruption.]* It is in the newspapers; it is not on the record. The hon. Member for Weaver Vale is heckling from a sedentary position, but he needs to recognise the essential difference between what Ministers say and what newspaper journalists interpret them as saying, even before they have said it. There is a fundamental difference. He may be sitting at the feet or bending the knee at the altar of Lord Mandelson, but we must not do that.

In effect, by levying on builders and mortgage providers, the cost will rightly fall on the doorsteps of all homeowners, and potentially on those in the rental sector too. I entirely understand where the hon. Member for St Albans is coming from, and where she wants to go to, but I respectfully request again that she withdraws the new clause, not least because—finally—a number of such amendments and new clauses have been tabled over the past several months, some of which were associated with what is now the Fire Safety Act 2021.

Those proposed amendments were wide-ranging in their ambit and would have allowed, potentially, for a leaseholder to claim for a defective fire alarm that was 10 years old—defective potentially as a result of their own action. We would all—most reasonable people—accept, and those who are suffering the terror, the horror, of being trapped in a building they cannot sell because of this terrible scandal would also accept, that such a liability on a freeholder or builder would be unfair and improper, and might indeed risk what one might call a remediation industry building up, which would not help anyone. I am afraid that the wide ambit of new clauses such as this present an opportunity for that sort of misuse to occur.

I understand all the points that the hon. Lady has made, but I invite her again to withdraw her new clause.

Daisy Cooper: I was particularly struck by an analogy on "Newsnight" last night. A Facebook whistleblower was asked about how Facebook responds to accusations. She said, "It is a bit like my partner saying to me, 'Have you done the washing up?', and my answering, 'I have done the washing up 150 times in the past year and I have spent £3 billion on washing-up liquid', which is of course a way of not answering the question whether I have done the washing up."

In answer to the first question, therefore, I was struck that the Minister was at pains to point out the progress that had been made on removing, specifically, ACM Grenfell-style cladding on high-rise buildings—very specific progress. In being at pains to highlight that progress, he sidestepped—I would say, respectfully—all the other fire-safety defects that exist and on which we have taken evidence through the proceedings on the Bill so far.

I was particularly disappointed that there was no answer to how constituents such as mine, who are expecting to receive bills of between £80,000 and £100,000 for fire safety and cladding remediation work, should foot those bills. The Minister's third point was on the polluter-pays principle. I was a little confused to hear it described as a crude term. It is a very well-established legal principle that exists in other pieces of legislation, notably in domestic and international environmental law. Given the clarity of the situation—innocent leaseholders who have done everything right being left to pick up the tab versus everybody else in the industry, who are to varying degrees responsible for failures—it is actually a very simple principle that is quite easy to understand.

10 am

The Minister mentioned that he wants to look at the value and the risk, and come to some kind of agreement on the value of properties and a more proportionate approach. I respectfully ask where on earth the mechanism for doing that is, because as yet we have not seen any mechanism or attempts by the Government to bring the different people together to ensure that that can happen. Lastly, he said that one of the unintended consequences of the new clause could be that insurance premiums go up. I am afraid to say that they are already going through the roof. Some innocent leaseholders have already gone bankrupt and are facing homelessness, and the difference between some of the costs makes very little difference to them.

I thank the Minister for his response, and we will continue to make those points, but I beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

New Clause 8

REVIEW OF PAYMENT PRACTICES AND BUILDING SAFETY

"(1) The Secretary of State must, within 60 days of the day on which this Act is passed, establish a review of the effects of construction industry payment practices on building safety in general and on safety in high-risk buildings in particular.

(2) The review must, in particular, consider—

(a) the extent to the structure of the construction market incentivises procurement with building safety in mind,

(b) the extent to which contract terms and payment practices (for example, retentions) can drive poor behaviours, including the prioritisation of speed and low cost solutions and affect building safety by placing financial strain on supply chain,

(c) the effects on building safety of other matters raised in Chapter 9 (procurement and supply) of Building a Safer Future, the final report of the Independent Review of Building Regulations and Fire Safety, published in May 2018 (Cm 9607),

(d) the adequacy for the purposes of promoting building safety of the existing legislative, regulatory and policy regime governing payment practices in construction, including the provisions of Part II of the Housing Grants, Construction and Regeneration Act 1996, and

(e) recommendations for legislative, regulatory or policy change.

(3) The Secretary of State must lay a report of the findings of the review before Parliament no later than one year after this Act comes into force." .—*(Mike Amesbury.)*

This new clause would put an obligation on the Secretary of State to review the effects of construction industry payment on practices on building safety and to report the findings to Parliament

Brought up, and read the First time.

Mike Amesbury: I beg to move, That the clause be read a Second time.

The Chair: With this it will be convenient to discuss new clause 19— *Review of Hackitt recommendations*—

"(1) Within one year of the day on which this Act is passed the Secretary of State must carry out and publish a review on the Government's implementation of the recommendations of Building a Safer Future, the final report of the Independent Review of Building Regulations and Fire Safety, published May 2018.

(2) The review must include an assessment of how legislative changes and Government policy have affected the wider building industry culture in respect of building safety.

(3) A report setting out the conclusions of the review as set out in subsection (1) must be laid before each House of Parliament no later than one year after the day on which this Act is passed."

This new clause would ensure the Government publish an assessment of the Government's implementation of the Hackitt recommendations.

Mike Amesbury: The two new clauses speak to the recommendations of the Hackitt review—one more generally, and one on a specific point raised in the review. I will speak first to new clause 8, tabled by my hon. Friend the Member for Oldham East and Saddleworth (Debbie Abrahams). She has raised the issue before, and I believe she will do so again in the passage of the Bill. The new clause does not require any immediate action from the Government, other than carrying out a review of the impact on building safety of payment practices and associated commercial practices such as lowest-price bidding and onerous contracts. It embraces concerns expressed by Dame Judith Hackitt in chapter 9 of her May 2018 report, "Building a Safer Future".

In her review, Dame Judith Hackitt lamented the lack of any "requirement or incentive" to prioritise building safety in procurement decisions, stating that the situation is further aggravated by

"unhelpful behaviours such as contract terms and payment practices which prioritise speed and low-cost solutions".

The new clause requires the Secretary of State to review the impact of lowest-price procurement, poor payment practices and onerous terms and conditions on building safety, and to make recommendations to Parliament for regulatory and policy changes. It presents an opportunity not just to reset the regulatory framework but to address the commercial behaviours that compromise building safety.

New clause 19 was tabled in a similar spirit, despite its wider scope. The Government committed to implement the recommendations of the Hackitt review at the end of 2018. The Bill holds many of the reforms that were recommended. The new clause simply ensures that the Government publish an assessment of their implementation of the Hackitt recommendations within a year of the Bill passing. Given its centrality in implementing the recommendations alongside the Fire Safety Act 2021, and the significant amount of secondary legislation yet to be published even in draft form to support it, it is right that we take stock of how well it reaches its intended goal of implementing the findings after the regulations come into force.

As well as the issues covered by the new clause, there are questions to be asked about the extent of the review's implementation of aspects including the regulation of building control for buildings under 18 metres and changes to the future testing regime for construction products—both important parts of Dame Judith's recommendations. The new clause also includes mention of the need to assess changes to the construction culture in parts of Hackitt's recommendations—something shared by all members of the Committee throughout the last three weeks. It is mentioned more than 40 times in the Hackitt report as an essential factor, alongside changes to regulation, developing good practice and ensuring well-built and safe homes in the future.

I ask the Minister to accept the new clause.

Christopher Pincher: I am grateful to the hon. Gentleman for raising this important issue. I understand his intent and desire, through new clause 8, to ensure that common practices in the way that payments are charged and made within the built environment industry are incentivised so that building safety and quality are central to decision making. I also recognise—I think we all do—the argument that poor, adversarial practices can lead to unsafe, low-quality building safety outcomes, as well as poor value for money. Let me assure the hon. Gentleman that we agree that this is an important issue.

Work with the industry to ensure fair and prompt payment and procurement practices is being addressed across several Departments. The Government's construction playbook, which captures commercial best practices, is resetting the relationship between the construction industry and the Government. Making the process more strategic and collaborative, and focused on delivering a more sustainable, modern industry, better able to deliver high-quality built assets for its clients, is essential and crucial.

The Construction Leadership Council also has a business models workstream, whose work includes collaborative contractual practices; adoption of fairer payment practices; eliminating the need for retentions; and supporting the introduction of other complementary procurement approaches, such as the value toolkit and the construction playbook, which I have already mentioned.

The hon. Gentleman mentioned the Hackitt report. Following the Hackitt report, we also set up the procurement advisory group to advise on procurement practices in higher risk buildings and to provide independent advice on implementing the recommendations of chapter 9

of the report, which focuses on procurement. As part of that, we have sponsored the creation of guidance on how the industry can implement collaborative approaches to procurement, to deliver those safe buildings and to tackle poor behaviours across the supply chain. It will outline how those approaches support the future regulatory regime as set out in the Bill.

The group will then work with the industry to implement the principles of the guidance as widely as possible. The guidance will be iterative and will be reviewed in line with any amendment to the Bill ahead of Royal Assent; of course, as the hon. Gentleman will know, amendments can be tabled on Report as well as in the other place.

Our approach is to support the industry to develop industry-led solutions, rather than further regulation: creating regulation when that is necessary, rather than when we can do it. We want it to be meaningful and owned by the industry, which is vital in order to create the leadership and culture change we have agreed is needed to support the important changes introduced in the Bill.

Through our engagement, we encourage a focus on obtaining the best value, rather than the lowest cost in procurement practices. We recognise the importance of setting clear parameters for how construction services are procured at the start of a project, and how that drives the correct behaviours throughout the project supply chain. We encourage those involved in procurement practices to show leadership in that regard and to embed good practice.

The competence of those involved in procurement was also considered in detail by the industry-led competence steering group, and we encourage the industry to continue to develop and implement the competence framework for the sector. The Bill already ensures accountability for safety throughout the lifecycle of a building—I think we have agreed on that—and that risks are held and managed by the appropriate people. Our efforts are therefore rightly focused on delivering a more risk-proportionate building safety regime where life safety risks are tackled swiftly, but disproportionate caution and excessive costs are avoided.

We do not believe it would be proportionate to legislate for the way the construction industry charges or for the payment practices of private and commercial businesses. The new clause would be a significant expansion of the scope of the Bill, and could risk the timetable of our introduction of the new regime. I thank the hon. Gentleman for raising this important matter, and I do not for a moment dispute his commitment to it. However, I respectfully ask him to withdraw the new clause.

I will briefly cover new clause 19. The Committee knows that the Bill provides a widely-framed review of the whole building safety regime, covering in-scope higher-risk buildings and out-of-scope buildings in clause 139, which was debated and agreed last Thursday. By comparison, the new clause would provide for a limited, one-off review within a year of Royal Assent. I do not believe that would practical, or that it would allow sufficient time for the new building safety system to be established or give the new building safety regulator the opportunity to deliver against the recommendations set out in the independent review of building regulations and fire safety. Therefore, I do not think that requiring an early review would have the intended effect.

The Government believe it is important to protect the independence of the review. As a result, we have not specified with whom the reviewer must consult when conducting the review and have allowed them to consult as widely as they see fit. The independent reviewer may choose to accept evidence from any interested party.

Clause 139 requires the Secretary of State to appoint a reviewer within five years of the Bill receiving Royal Assent and, thereafter, within five years of the previous appointment. It also allows the Secretary of State, in extremis, to ask for an earlier review within that five-year cycle. Therefore, unlike new clause 19, which is a one-off assessment, we are providing for an ongoing check on the building safety and construction products regulatory systems throughout their lifespan.

Given the establishment of a new system of regulation for building safety, including fire safety and defect remediation, it may not be practicable to conduct another comprehensive review similar in scope to the one undertaken by Dame Judith Hackitt sooner than the five-year limit stipulated by clause 139, unless in extremis the Secretary of State directs otherwise.

10.15 am

With that explanation, I hope that the hon. Gentleman, again in the spirit of collegiality that we have managed to maintain most of the time throughout this Committee, will understand my reasons for refusing to accept his amendment, while recognising the intend behind it.

Mike Amesbury: I thank the Minister for his response. Assessment planning implementation reviews are essential components of good policy. Given the significance of what we are collectively trying to achieve in Parliament and beyond this place, a review is vital. We argue that that five-year mark, while crucial and hard-wired into the proposed Bill, needs further checks and balances and assessment. However, in the spirit of co-operation and collaboration that we have had so far, I beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

New Clause 9

DEVOLVED BUILDING SAFETY STANDARDS CO-OPERATION REVIEW

"(1) The Secretary of State must conduct a review exploring how a formal mechanism of co-operation and information sharing on building safety standards across the United Kingdom could operate.

(2) The review as set out in subsection (1) must include reviewing—

(a) the feasibility of establishing a duty to consult with the government of Northern Ireland and Scotland on the best practices for building safety, including on—

(i) funding;

(ii) grants;

(b) the provision of funding of fire safety remediation work, and

(c) the provision of funding in place to prevent costs being passed to leaseholders.

(3) A report setting out the conclusions of the review as set out in subsections (1) must be laid before each House of Parliament no later than 3 months after the day on which this Act is passed."
—(Daisy Cooper.)

This new clause would require the Secretary of State to conduct a review of formal co-operation on building safety standards across the United Kingdom, in recognition that sharing best practice could promote improved building safety standards in all four nations.

Brought up, and read the First time.

Daisy Cooper: I beg to move, That the clause be read a Second time.

New clause 9 would require the Secretary of State to conduct a review of formal co-operation on building safety standards across the United Kingdom, in recognition that sharing best practice could promote improved building safety standards in all four nations.

There are two reasons behind new clause 9. First, the UK Government could learn from our neighbours, particularly in Scotland. Although only one high-rise building in Scotland—in Glasgow—has been found to have the ACM cladding that was responsible for the Grenfell tragedy, all owners of flats who have cladding have been offered free safety assessments to see if other types of cladding need to be removed.

In addition, the Scottish Government have established a ministerial working group on mortgage lending and cladding; this includes homeowners, insurers, legal professionals, housing associations and the fire service. When we were discussing a previous new clause, the Minister made it clear that he wanted to look at these issues. New clause 9 would provide the forum within which the UK Government could look at this model, and see what could be learned from the ministerial group on mortgage lending and cladding.

The Scottish Government made swift moves to ensure that the unnecessary EWS1 form certification was no longer needed. Arguably, there is also the case that through a forum like this the UK Government could reflect on whether Scottish building regulations, which have diverged from UK-wide fire safety standards since 2005, were able to prevent a widespread crisis like the one we have had here in England.

There is a second, less obvious reason why the clause could establish improvements in building safety standards. During the course of the evidence sessions, we heard from the Fire Brigades Union, who described the current state of affairs as "pretty abysmal". They gave as an example the fact that fire officers had, for many years, noticed that fires were starting to spread faster and there was no way of getting that information to those in power. They cited as the problem that the Central Fire Brigade Advisory Council, which was established by the Fire Services Act 1947, had been abolished by the Fire and Rescue Services Act 2004.

This new clause, which looks at best practices across all four nations, could perhaps be part of a new tapestry, where any new problems that arise in the future as a result of new materials or new modes of construction could quickly be discussed across all four nations and be brought to the attention of Government.

Christopher Pincher: The hon. Lady may find that a theme is developing here and it is one of collegiality—I trust she will agree. I thank her for raising this important matter. Given that it is a Union matter, it is sometimes rather more complicated and, shall we say, delicate. I applaud the intent of the new clause, but I again ask her to withdraw it rather than asking us to accept it, because I do not think that it would achieve its intended effect. It could also, we believe, impede already existing and pretty effective relationships with the devolved Administrations.

However, I assure the hon. Lady that the Government have already established very close official-level working relationships on building safety with the devolved Administrations, as part of the BSP—the building safety programme. In fact, meetings with representatives of all three devolved Administrations take place at least fortnightly, enabling the sharing of information and latest policy developments and intentions. I will give the Committee an example. We have been working closely with the Welsh Government, including in relation to applying part 3 of the Bill to Wales. We are also liaising closely with both Scotland and Northern Ireland.

As the hon. Lady will be aware, the Bill will create a stronger and clearer construction products regulatory regime, which will apply to the whole United Kingdom. Building safety is a devolved matter, but the products regime will apply to the whole UK, and that will pave the way for a national regulator for construction products with a UK-wide remit to lead and co-ordinate enforcement of the new rules.

In January this year, we announced that that national regulator will be established within the Office for Product Safety and Standards, which gave evidence to this Committee in the witness sessions and which will receive up to £10 million this financial year to set up the new function. There is in the Bill a range of other provisions that apply to one or all of Wales, Scotland and Northern Ireland and which we have debated previously.

As the hon. Lady will appreciate and as I have said already, unlike the regulation of construction products, building safety is a devolved matter and rightly, therefore, decisions on policy in that area ultimately rest with the devolved Administrations themselves. It is therefore important that we maintain the existing, well established relationships rather than perhaps foisting new and unexpected ones on those Administrations.

Taking all those factors into account and entirely understanding what the hon. Lady is trying to achieve, I hope that she will accept our assessment that formalising information-sharing and consultation mechanisms as she is suggesting could impede and slow down our existing mechanisms to ensure building safety standards in each of our four nations. I respectfully invite her to withdraw the new clause.

Daisy Cooper: I am grateful to the Minister for his reassurances about the close working relationship with the devolved nations, and interested to hear about the fortnightly meetings. If those meetings are happening every fortnight, that does, I say respectfully, beg the question as to why the Scottish Government have set up the ministerial working group on mortgage lending and cladding, and dealt with the EWS1 form, yet the UK Government are still battling with both.

The Minister mentioned that it is important not to step on the toes of the powers of the devolved nations. I absolutely, wholeheartedly agree with that, but my suggestion was that the UK Government could in fact learn from the devolved nations rather than imposing anything on them. None the less, I am grateful to have those reassurances and I beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

New Clause 10

ASSESSMENT OF BUILDING SAFETY AND EMERGENCY STATUS

"(1) The Secretary of State must, as soon as reasonably practicable, conduct an assessment of the overall state of building safety and building fire safety defect remediation in England and lay before Parliament a report of that assessment.

(2) The report must include an assessment of whether the matters in subsection (1) constitute an emergency for the purposes of Section 1(1)(a) of the Civil Contingencies Act 2004 (an event or situation which threatens serious damage to human welfare in a place in the United Kingdom).

(3) In conducting the assessment, the Secretary of State must consult—

(a) fire safety experts,

(b) leaseholders and their representatives,

(c) social housing tenants,

(d) local authorities,

(e) trade unions, and

(f) safety and construction industry bodies."—*(Daisy Cooper.)*

This new clause would require the Secretary of State to conduct an assessment of the state of building safety and fire safety defect remediation in England.

Brought up, and read the First time.

Daisy Cooper: I beg to move, That the clause be read a Second time.

Colleagues will be pleased to hear that this is the last new clause from me. It would require the Secretary of State to conduct an assessment of the state of building safety and fire safety defect remediation in England, and to specifically assess whether it constitutes an emergency, as defined in the Civil Contingencies Act 2004.

We are now four years on since the Grenfell tragedy. We have heard that so many times in the Chamber and here in Committee. Not only are we more than four years on from the tragedy, but there are suggestions that, at the current rate of reform, it could potentially take up to 10 years to sort out all of the existing fire safety issues faced by existing leaseholders. That is simply not good enough.

It is clear that the fire safety scandal is an emergency. In Victoria, Australia, they treated it as a public health emergency. When we took evidence, everybody that we asked, "Do you consider this to be an emergency?" said, "Yes". It is clear that the overall building and fire safety scandal

"threatens serious damage to human welfare in a place in the United Kingdom".

That is part of the definition of what constitutes an emergency under the Civil Contingencies Act 2004.

We have seen, over the past 18 months, what can be done by Government when there is a crisis. We can see the scale and pace of change and reform when something is treated as an emergency. Waiting for two years, five years or 10 years is far too long, so I respectfully request the Government to reflect on whether four years so far, and potentially several years to come, is good enough; whether they could usefully use the Civil Contingencies Act; and whether the new clause—which would require the Secretary of State to conduct an assessment of whether the state of building safety and fire safety constitutes an emergency under the 2004 Act—would be a useful mechanism to ensure that we can move much faster and make all homes fire-safe within at least the next 12 months.

Mike Amesbury: I thank the hon. Member for St Albans for powerfully arguing the case for the new clause. As she stated, it is now nearly five years since Grenfell, when 72 people tragically lost their lives. A broad-scoped, urgent assessment is now needed, so the official Opposition support the new clause.

Christopher Pincher: If you will indulge me for a moment, Mr Dowd, I will briefly respond to a point that the hon. Member for St Albans made previously about the reasons behind the Scottish Government setting up a particular committee. Scotland has a different legal infrastructure and different financial mechanisms; that may well be one of the reasons why they have chosen to set up that committee, but that is, as I am sure she will appreciate, a matter for them.

I appreciate the hon. Lady raising this important point, in a similar vein to the hon. Member for Weaver Vale and new clause 8. However, in a similar vein, I trust that she will feel able to withdraw the new clause once I have concluded my remarks. The Bill already provides for a widely framed review of the whole building safety system. That will cover in-scope high-rise and higher risk buildings, and out-of-scope buildings through clause 139, which we debated and agreed to last week. By comparison, it is also rather akin to new clause 8. This new clause covers a more narrow subject matter, giving—entirely unintentionally, I am sure—no consideration to the independence of the review. When included alongside clause 139, which already stands part of the Bill, it would cause duplication and confusion.

As I said previously, I want to assure the hon. Lady that we recognise the intention behind her new clause, but we submit that it has been met in clause 139, which creates a non-prescriptive framework for the appointment of an independent person to review the work and the effectiveness of the Building Safety Regulator, the regulatory system for building safety, the national regulator for construction products, and the regulatory system for construction products. We therefore believe that the topics specified in new clause 10 are already covered by clause 139.

10.30 am

We believe it is important to protect the independence of the review. As a result, we have not specified whom the reviewer should consult when they are conducting the review. They should be allowed to conduct it as widely as they see fit, and they may choose to accept evidence from any interested party. We would not want that wide-ranging opportunity, as exhibited in clause 139, to be duplicated or confused in any way as a result of other new clauses. Unlike new clauses 10 and 8, which would entail one-off assessments, clause 139 provides an ongoing check on building safety and construction products throughout their lifespans.

I hope the hon. Member for St Albans will withdraw her new clause. She talked about an emergency, and we recognise that this is a very real emergency for individuals living in properties that they feel are unsafe or that they cannot sell because of the unfolding terrain that we have come to understand following the Grenfell tragedy. We believe that we are addressing the evolving challenges through the funding for the removal of aluminium composite material cladding, the building safety fund and all the other fiscal measures that we will put in place, as well as through the regulatory changes that we have introduced and are introducing through the Bill.

Of course there is more to do, and I can assure the hon. Member for St Albans and the Committee that we will do what is necessary to ensure that we protect leaseholders from unfair charges and that those who ought to pay do pay. We will ensure that the risk and lending sectors, the risk appetite of which has gone out of all proportion to real risk, are brought back into kilter, so that risk and value are properly ascribed to homes and people can get on living in them and selling them as they see fit. Again, I hope that she will withdraw her new clause.

Daisy Cooper: I am grateful to the Minister for responding. I would highlight two points. The first is that the Minister suggested that new clause 10 was not necessary because of clause 139, but I respectfully highlight the fact that clause 139 relates to an independent review of the building regulatory regime and the regulation for construction products, so this is a process. Clause 139 relates to future regulation; it does not apply to the remediation of historical fire safety defects.

Secondly, although the Minister was at pains to highlight that he appreciates the urgency, I would highlight that clause 139, on the future review, requires only that the Secretary of State appoints a reviewer within five years of the Act passing. We have tens of thousands of innocent leaseholders who cannot wait another five years for their houses to be made safe so that they can get on with their lives. I said before that the purpose behind the new clause was to highlight the emergency and the urgency with which we would like the Government to act. Many of us feel as though the Government are not acting with the necessary urgency, but I hope the Minister hears that point. I beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

New Clause 11

Assessment of mental health impact for leaseholders in dwellings with building safety risks

"(1) The Secretary of State must carry out a review of the impact of building safety issues on leasehold tenants' mental health.

(2) The review as set out in subsection (1) must be laid before each House of Parliament within six months of the day on which this Act is passed, and must consider the effect on leasehold tenants' mental health arising from but not limited to—

(a) residing or being a leasehold tenant in a building which has had or currently has building safety issues;

(b) any financial pressures on leaseholders as a result of charges due to building safety work, conducted based on advice given by his department since 14 June 2017;

(c) supply of mortgage finance.

(3) The review shall include recommendations on any mental health support to be provided to leasehold tenants' as a result of findings under subsection (2).".—*(Ruth Cadbury.)*

This new clause would ensure the Government publish an assessment considering the impact of the building safety risks on leaseholders, and whether further specific mental health support is required.

Brought up, and read the First time.

Ruth Cadbury: I beg to move, That the clause be read a Second time.

It is a pleasure to serve under your chairmanship again, Mr Dowd. The new clause seeks an assessment of the mental health impact for leaseholders in dwellings with building safety risks.

It may be normal in areas such as health, social care and justice to consider in legislation the mental health impact on victims, but it is unusual in matters of the built environment. I hope in my comments to address the impact that the crisis is having on the mental health of millions of people across the country. Any MP who has looked into their postbag will know the turmoil and trauma that the crisis has caused to leaseholders. As the hon. Member for St Albans said earlier, they are innocent parties—the only innocent parties—and they have had the sword of Damocles hanging over their heads.

The new clause makes three aspects clear. First, there is the trauma caused to people by living in a building that is unsafe and that they fear could go up in flames. Then there is the trauma of the financial bills that so many leaseholders face, which can run into tens of thousands for many. Finally, there is the trauma caused by being trapped and unable to sell or remortgage a home. That is a toxic trio that we know is impacting people's mental health. Survey after survey has confirmed the huge impact.

In a survey for Which?, a leaseholder called Georgie said:

"I don't know of any leaseholder whose mental health isn't affected in some way due to this horrendous situation."

That chimes with the findings in the landmark report by the Cladding Action Group, which found that nine out of 10 of those surveyed said their mental health had

"deteriorated as a direct result of the situation".

Some 94% said they were anxious and worried, 83% said they were angry—rightly, I might say—and 59% felt abandoned, which is a point I will come back to later. People also said they had had to take time off work. Health conditions had been made worse. Many were seeking or planning to seek medical help for stress. Some 67% said their mental health had got worse since they were last interviewed. Those numbers should serve as a chilling reminder of the impact, toll and misery of this crisis—a crisis that this Government have effectively caused.

It is hard to convey just what the fear of living in an unsafe building must feel like—how it must feel for people to go to sleep at night not knowing if they are safe in their bed. A constituent who wrote to me after the fire at Grenfell told me that they went past and saw the fire raging from their bus. The images of that night are seared on that constituent's brain, as it is in the minds of so many other people, even if we just saw it on the TV.

Grenfell was, of course, not the only residential fire with serious consequences. The Cube fire in Bolton and Richmond House in south-west London are just two in recent years. Locally, there are many more examples. Luckily, Sperry House in Brentford was caught in time before the fire raged across the full building—before life was lost. Thanks to the fire services, it was caught in time.

Mike Amesbury: Yesterday, Sky highlighted the case of Zoe, who lives in a cramped, one-bedroom flat with small children, but is unable to move out of the flat

because of the toxicity of the building safety standards. That is having a huge effect on her mental health issues, including about schools in the future and just the anxiety my hon. Friend illustrates.

Ruth Cadbury: My hon. Friend gives yet another illustration of the stress and mental health impact of this crisis. On the subject of people almost frightened to go to sleep at night, people with disabilities and their carers face even greater anxiety and worry over fire safety risks and whether they would be able to get out of their home to safety. Many are struggling to get adequate personal emergency evacuation plans sorted with their building managers.

Paragraph (b) relates to those facing staggeringly high bills. Every day, we see more and more reports of the skyrocketing costs facing leaseholders. One of my constituents, who is a shared owner in Brentford, is facing a bill of £15,000, and says:

> "I fear it will be significantly higher...I don't have this money and it will bankrupt me. I fear homelessness...I'm going to lose the home I worked so hard for."

Leaseholders across the country are facing staggering and life-changing bills to fix cladding and fire safety defects, and more. Service charges are skyrocketing and, for many, insurance premiums are also shooting through the roof. Two of my constituents are facing an extra £2,000 on their annual insurance bill. Many people face bankruptcy. That is bad enough in itself, because of course it means a lifelong impact, whatever one's financial future. However, for accountants, lawyers and others, their professional status is permanently destroyed if they are declared bankrupt.

Overall, there is the fear of homelessness for people who got on the housing ladder—they did the right thing, as we often say—but are now falling to the bottom of the snakes and ladders board.

Ian Byrne: On the Housing, Communities and Local Government Committee, we had three sessions of evidence from many people across the country who have gone through covid, have lived since 2017 in unsafe buildings, as my hon. Friend has outlined, and are now in danger of bankruptcy and potentially losing their jobs through professional indemnity being withdrawn. It was heartbreaking to listen to the three sessions and see how life changing this was going to be and the consequences they will have in years to come, affecting their lives, their children's lives and future generations of the family's lives. The impact this is having on people's mental health should not be understated. As I have said, it could not have come at a worse time, with covid, being locked in a house or a flat that was potentially dangerous during lockdown, or fearing for their own lives in a flat they believed was unsafe. They had the pressures of covid and of living in an unsafe building, so for me this new clause is hugely important, after having listened to the evidence sessions with my hon. Friend the Member for Luton South—

The Chair: Order. To clarify, if people are going to intervene, can they make it short and sharp? If they want to make an intervention, that is the way to do it. If they want to speak on the substantive issue, they can do, but this is an intervention, rather than a more substantive contribution.

Ian Byrne: Point taken, Mr Dowd.

The Chair: Thank you.

Ruth Cadbury: I thank the Housing, Communities and Local Government Committee for the work it did on this important issue. It has put these issues on the public record in a way that we do not have time for today, so our thanks go to the Committee.

Paragraph (c), on mortgage finance, is about the inability to move as one's family or job situation changes. Normally, one would be able to sell and move somewhere nearer a new job or more suitable to one's current family situation. Being unable to move causes further stress, even for those in flats with minimal risks. End Our Cladding Scandal estimates that last year there were around 1.2 million mortgage prisoners, and that figure will be growing. All this is largely due to the Government's inept handling of the EWS1 survey process—an issue that is still not resolved, despite the grandiose claims from Ministers every three months when they want an easy headline.

10.45 am

Finally, for all those affected, there is a fear of what is to come. One of my constituents works in the NHS as a clinician, supporting and treating those with chronic mental health problems. This crisis is affecting my constituent's ability to help their patients. That constituent told me that it is the fear of the unknown that is making it worse for them. They said: "I am in limbo." Like so many leaseholders across the country, they are trapped in limbo, and limbo is nothing less than a mental health crisis, caused in part by shoddy builders, but exacerbated by the Government's failure to tackle those who caused the problem head-on and to support the innocent victims.

The Government have had years to fix this crisis. The very least they could do is accept the new clause and evaluate the very real impact that this crisis has had on the mental health of so many.

Rachel Hopkins (Luton South) (Lab): It is a pleasure to speak under your chairship, Mr Dowd. I add my support for the new clause, for the reasons so well set out by my hon. Friend the Member for Brentford and Isleworth.

I believe that there needs to be an assessment of the mental health impact for all leaseholders. My hon. Friend spoke about the impact of the financial bills that many leaseholders face. I would like to add some points from the leaseholders I have spoken to in my constituency about their fear of bankruptcy and the pressure that is placing on them, particularly those who would lose their professional title. I have spoken to a teacher and a social worker, who in their day jobs are dealing with young children who are already in temporary accommodation, or are supporting the needs of the Afghan refugees who have been placed in Luton.

Those constituents are working incredibly hard, in incredibly important jobs, but they are struggling because they are fearful that if they cannot meet the costs of the bills that they might have to face, they will lose their professional titles, not be able to pay those bills, be made homeless and then fall on to the responsibility of Luton Council, which we already know is incredibly

[Rachel Hopkins]

pressured when it comes to providing housing. Our council house waiting lists are huge, with people living in temporary accommodation for many years. I did not need to watch the "Dispatches" programme on television last night—these emails come into my office inbox every day.

Finally, there are also wider mental health issues for those living together as partners and considering whether to start a family, when they are living in a home that is not safe and when they have concerns about when they will be able to remedy that, given the lack of action from the Government. The new clause on the need for a mental health impact report is therefore hugely important, and not only for the benefit of the leaseholders.

Mike Amesbury: Yesterday, Sarah Corker highlighted the case of a leaseholder in a flat who was finally going through remediation after waiting for years. The flat was wrapped in plastic and there was very little wraparound mental health support. Does my hon. Friend agree that that should be within the scope of an assessment?

Rachel Hopkins: My hon. Friend makes an incredibly important point. I agree that we need to look at everything in the round and bring it into scope to understand the longer-term impacts of unsafe cladding, and the lack or slow progress of remediation, particularly on leaseholders.

I really feel for those who cannot start a family because of those deep concerns, and the pressure they experience because, as time ticks on, it becomes more difficult. I want to add my support for leaseholders who are struggling in those situations by supporting this incredibly important new clause.

Daisy Cooper: I will speak briefly to add my support for the new clause. Colleagues have covered many issues, but my constituents in St Albans have told me that their mental health has deteriorated because they do not feel safe in their own homes. Some cannot sleep at night and others have had to move out, so that they are paying not only for the mortgage on their flat, but for rent. That creates financial worries, which in turn worsens their mental health. Some can afford to buy those properties only with the support of the bank of mum and dad, who are possibly retired and have put their savings or their pensions into buying the properties, so we have people living in fire traps who are concerned for the welfare of their ageing parents.

As colleagues have pointed out, there is a concern about those who want to start a family. Some do not feel able to start a family because they feel too stressed to go through that process in the home that they are in, the flat is not large enough or they cannot afford in vitro fertilisation, given the eye-watering bills for remediation.

The mental health impact goes way beyond the people who live in the properties. It starts with them, but it has ripple effects on their families and the people in the community who know that the properties are not safe. Nobody wants to live in a community where they might see something even half as bad as Grenfell. The crisis has enormous and wide-ranging mental health impacts and I fully support the new clause.

Christopher Pincher: I am obliged to the hon. Member for Brentford and Isleworth for raising this important matter and to other Committee members for speaking honestly and eloquently on it.

The Government recognise—I certainly recognise—the difficult situation that many leaseholders have found or find themselves in, not least the financial implications and the emotional strain that it has placed on many people. We are aware of the research that has been conducted in the sector on the effects of building safety on leaseholders and their wider family and friends. The findings are sobering. They highlight the significant effect that building safety issues have on leaseholders and further demonstrate the importance of our work to improve building safety.

However, an important principle underpins access to mental health support: it must be based on clinical need. That must be right. It should be the right of everyone who needs that support to get it, without regard to any legislative or political pressure. If any individual, regardless of where they live, requires mental health support, they can contact their general practitioner to discuss those issues so that they may be referred to mental health services as appropriate. Information is available at GP surgeries and on the NHS website about how to access that. While I appreciate the points made by Committee members, we need to be careful, because the new clause cannot and, indeed, should not change the current approach to delivering these important services.

That is why, while I understand the motivation behind it, the Government cannot support the new clause, and why I will in due course ask the hon. Member for Brentford and Isleworth to withdraw it. It has implications not simply for building safety and my Department, but for how the NHS and the Department of Health and Social Care provide such services.

Making homes safer will benefit leaseholders, and that is what we must be and are focused on. The Government are fully committed to making homes across our country safer, and that is why we are implementing the recommendations of the Judith Hackitt report. We also want people to be safe, and that is why we have since 2017 invested in more mental health nurses and services.

Throughout the work to reform building safety, the Government have regularly and extensively engaged with leaseholder groups. My noble friend Lord Greenhalgh, his predecessor and his predecessor's predecessor have done that extensively since the Grenfell disaster. We recognise and understand the effects on a leaseholder who lives or who has lived in an unsafe high-rise building. That is why the Government have taken a range of steps to support leaseholders.

Given the tone of the debate on the new clause, I will not reamplify and recapitulate the support that the Government have given, and will continue to give, to leaseholders. There may be some disagreement about that support, but there is common understanding of our intent.

Through the Bill, we have a common intent to bring through new stronger protections for leaseholders and residents, providing them with the assurance that their buildings and the risks are being effectively managed, and that they are well informed and are given the chance to participate in the decisions that affect their

building's safety. Where the performance of those responsible for building safety falls short, there will be a clear route to have concerns heard and dealt with, backed by the new Building Safety Regulator. The regulator will have the powers necessary to put things right and tackle underperformance, giving residents and owners peace of mind.

We do not believe that a Government review of the effect on mental health is an appropriate or practicable approach. The practical effect of such a report might well be to recommend that mental health service provision be made to all leaseholders and possibly the wider community.

Mike Amesbury: How will the Minister and the Department approach helping the 90% of leaseholders surveyed who are affected by anxiety and mental health issues? What co-ordination is there between the Department and, for example, the national health service or other appropriate services?

Christopher Pincher: The national health service has well-established means of providing services through both primary and secondary care to the people, based on need and at no cost to them at that point in time. That has been a well-established principle since 1948. GPs can signpost their patients to appropriate resources in the NHS to provide them with the services they need, as can services such as 111 or the Government website, which indicate how people with difficulties can use the NHS.

11 am

I understand where the hon. Gentleman is coming from, but new clause 11, although understandable in its intentions, is not going to change the focus we need to have on remediating these problems and fixing an industry that has been building shoddy buildings for far too long. It precedes this Government and, indeed, Governments before our predecessor. I hope the hon. Member for Brentford and Isleworth will accept that we have tried to be collegiate in our approach in Committee, and I hope that we will continue so to be. However, I do not think it is right and proper to suggest that this crisis has been created, to use her term, by this Government. The crisis precedes the term of office of this Government, and probably the one before that and the one before that. Governments of all stripes have not grappled with this particular challenge. That is what we intend to do now.

Although I understand the motivations behind the new clause, it would seek, in effect, to prioritise one group above another in the receipt of mental health services. I do not think that is the principle upon which crucial mental health and other medical services should be delivered. While the hon. Lady will, I am sure, reamplify the sentiments that lie behind her new clause, I hope she will seek to withdraw it.

Ruth Cadbury: I thank the Minister for his response to new clause 11. I am not sure whether he truly understands the impact of the building safety crisis on people, or he does but has no intention of dealing with it. I fear sometimes that it is the former. Only yesterday, Department for Levelling Up, Housing and Communities Ministers were advocating shared ownership—a subset of leaseholders. They are advocating that more people get into this mess, rather than addressing the impact on those who are already in it.

My colleagues spoke about the impact of homelessness, which causes mental health stress. On that point, people never expected to be a burden on the state for their housing situation. People did the right thing and got on the housing ladder—an aspiration of over 90% of people in this country. They got a loan and are paying for their home. Sometimes they are paying less in mortgage payments than they were in rent. That was before the charges started going up, of course. When those people become homeless, they add to the numbers of those who are already homeless. That situation will only apply to those whom the council have a duty to house, such as those with school-age children or who are vulnerable in some way, adding to the pressures on councils and the taxpayer. Of course, it will also add to the pockets of many private landlords.

Homelessness has a mental health impact, but it also has other impacts. There is an educational impact on children, who have to move schools because the only home their family is given is miles away. Many have to give up their job because they have been moved so far away that they can no longer travel to work. The Minister said, very helpfully, that anybody suffering from mental health problems can make contact with their GP. Is he not aware of the pressure on GPs at the moment? When did he or a member of his family last get an appointment within two weeks, which is often the wait time?

Christopher Pincher: The hon. Lady seems to be conflating the timescale to the end of this difficult pandemic, the point at which the Bill will become law and when the report she asks for, if the new clause is accepted, will be made, and therefore the effect of the new clause on GPs. It is the case that GPs are under pressure. I am simply making clear the present process for people to access mental health services, which I think was the point that the hon. Member for Weaver Vale made to me.

Ruth Cadbury: The Minister was obviously not aware of the crisis in the primary care workforce before the health crisis; certainly, at our GP surgery, we were waiting more than two weeks for an appointment before March last year. The Government have known for years that there are too few GPs, and of course the pressure is getting even worse through covid. However, let us move on.

If one sees a GP because of a mental health concern and the GP accepts the seriousness of that concern, they will then have to do a referral. Waiting times for a clinical assessment, and beyond that, treatment, are growing all the time, and already were before covid struck.

Christopher Pincher: Will the hon. Lady explain how the making of a report will practically improve access to mental health services for the people who she quite properly says are affected by the building safety crisis?

Ruth Cadbury: First, it will acknowledge, in property law, that there is an impact on people of the lack of appropriate action by the Government. Secondly, when

[Ruth Cadbury]

the Government actually accept the polluter pays principle, including builders and developers of existing homes, which is where the main concern is at the moment, they could recoup some of the costs from those builders and developers, which could contribute to additional mental health support. The importance of the new clause is to acknowledge that the building safety crisis is an awful lot more than a building safety crisis; it is a people crisis.

Shaun Bailey (West Bromwich West) (Con): I want to understand this from a practical point of view, so could the hon. Lady clarify—I apologise if she has covered this; I am listening intently to what she says—who would draft these reports? More broadly, given the obviously untold scale mental health impact this crisis has had, what assessment has she made of the impact on existing services, from which we would have to take professionals out of stream to draft these reports? I am keen to understand that point.

Ruth Cadbury: If we were to push the new clause to a vote and it was accepted, the details of that are in there. This is not unique in legislation. It can be done and it can be enacted if the Government will is there. We are trying to establish whether the Government actually care about the people who are impacted by this crisis.

Mike Amesbury: When 90% of leaseholders surveyed by UK Cladding Action Group and End Our Cladding Scandal cite mental health and anxiety as a major concern, and when 25% have considered taking their own lives—suicidal thoughts—there is a big issue. It is nearly five years on from Grenfell. My hon. Friend, a good colleague, makes a powerful case for the new clause to be included in the landscape of the new building safety regime in this country.

Ruth Cadbury: My hon. Friend confirms the power of this issue. Finally, I will address the Minister's point about the Building Safety Regulator. To be honest, the point of the regulator is not generally, as drafted, to be concerned about people. The Minister said that the regulator will engage with leaseholders, but engaging with a leaseholder does not actually make them feel better.

My other concern is the growing number. We talked about the UK Cladding Action Group survey. It will have surveyed people who are probably aware of the situation they are in, but we know that people are still buying flats in buildings and more and more people are becoming aware of these issues. I would not buy a flat in a leasehold block, particularly one with a term of less than 20 years, because I have been enmeshed in this issue as a representative MP since before Grenfell. I know what it is like, but too many people are not aware, and are continuing to buy, get mortgages, set up homes and settle down in buildings that they then find are affected. I met the son of a friend of mine a couple of months ago, and he asked, "Could you explain to me this EWS1 problem? I am not moving, but some of my neighbours want to sell, and they did not know anything about it." I said, "Well, how long have you got?"

Daisy Cooper: A number of colleagues have asked what the practical effect of this clause might be. It seems to me that, as the hon. Lady has just said, there is a lack of understanding and information about the impact this situation has on those leaseholders who are caught up in it. We could imagine that, under subsection (3) of the new clause where it says,

"The review shall include recommendations",

some of those recommendations could, for example, include mental health first aid training in the blocks of flats that are affected, particularly during times when those buildings will be wrapped in plastic. They could include providing information sheets about the impact on people's lives that those who are affected could take to their GPs, their councillors or others, so a number of practical things could be recommended as a result of a review that could be conducted under this new clause.

Ruth Cadbury: The hon. Lady makes a useful suggestion. I feel conflicted when somebody tells me excitedly that they are moving, or that they have just bought, because what do I say? Do I say how pleased I am for them, or do I ask, "Have you thought about this? Did you know about this? Was your solicitor employed by the developer?" and so on. These issues will lead to the mental health problems of the future among people who now are very happy and excited.

I will not press this new clause to a vote, but I am concerned about the rising tide of mental health problems, particularly among leaseholders, but generally among all residents in these blocks. I do wonder how many suicides there have to be before the Government take this on as yet another aspect of the emergency. I beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

New Clause 12

Assessment of the impact of building safety issues on access to insurance

"(1) Within one year of the day on which this Act is passed the Secretary of State must carry out a review of the impact of building safety issues, including the provisions of this Act, on access to insurance.

(2) The review as set out in subsection (1) shall include assessment of the United Kingdom insurance market.

(3) The review must consider the impact of building safety issues, confidence in the building safety industry and the impact of advice given by his Department on building safety given since 14 July 2017 on—

(a) the availability and cost of insurance for residential blocks;

(b) the availability and cost of professional indemnity insurance for workers in the building safety industry;

(c) requirements placed on buildings in order to access building insurance; and

(d) the wider insurance market.

(4) The review must make recommendation as to any further action needed by Government or the industry to improve access to affordable residential and professional insurance across the United Kingdom."—*(Mike Amesbury.)*

This new clause would ensure the Government publish an assessment of the impact of the building safety risks on the UK insurance market for residential buildings and professional indemnity insurance for those working in building safety.

Brought up, and read the First time.

Mike Amesbury: I beg to move, That the clause be read a Second time.

Insurance costs are suffocating leaseholders up and down the country. I know that the Minister is keen for me to bring up casework during these sittings—indeed, the hon. Member for Bolton North East did so just last week—and it is a very relevant and appropriate piece of casework, so I make no apology for bringing it up. There is a development that is just outside my constituency, called The Decks. One part of the development is above 18 metres; the other part is below 18 metres, so one part is within the scope of the Building Safety Bill as it stands, and one is not.

The resident leaseholders in that development, regardless of whether they are in scope or out of scope, have faced a shocking rise in insurance premiums of 1,400% over the past two years. Their insurance rose from £34,000 in 2019, before the current problems with building safety were identified, to £254,000 in 2020. Despite the problems having been identified and work done with the local fire authority to put alarms in place to mitigate and reduce risk, the insurance then more than doubled yet again to £522,000 at the start of this year. Risk reduced, but premiums yet again going up—a situation mirrored the length and breadth of this country. That is just one case out of nine that I looked at in research published in *The Sunday Telegraph* this week, which provides a rough snapshot of the costs involved when leaseholders are hit by rocketing, sky-high, scandalous insurance premiums.

11.15 am

For the nine buildings we in the Labour party looked at, premiums have risen by 600% to £1,734 a year. Moreover, despite the inflated cost, the new coverage often covers only part of the value of the building—in some cases, as little as 40%. Premiums are more than doubling across the length and breadth of the country, yet the new premiums cover only a fraction of the potential liability.

That cost comes alongside the remediation bills, which we have all shown evidence for throughout this Committee stage and throughout the journey relating to this horrendous building safety scandal. Just before the article went to print, I was updated by someone who contributed to that research, who said that, in part because of the uncertainty surrounding the insurance costs of the building, an offer on her flat had fallen through. That is another addition to the complexity of the building safety scandal, and comes just a few weeks after a management agency had chased her for £2,885 for service charges.

The analysis in *The Sunday Telegraph* that I mentioned was commented on by the Department. A source said that the Secretary of State

"will not hesitate to take further action if required."

Lord Greenhalgh in the other place did a series of, I think, Zoom roundtables with the Association of British Insurers and other stakeholders in the insurance industry. This problem is not only still a live issue, but getting significantly worse.

In presenting this new clause, I know hon. Members—hopefully those on both sides of the Chamber—will have evidence of examples in their constituencies. I urge the Minister and the Department to accept this quite simple new clause, which would ensure that within a year, a review is done of this toxic situation with the insurance industry. Is it profiteering? I do not know; that is why we need the review. The review will also look at the problem of professional indemnity insurance, which I suggest is more important than ever if we look at the plethora of new professionals that we will create in this landscape.

Christopher Pincher: I am grateful to the hon. Gentleman for again raising this important matter. I appreciate the issue that the new clause seeks to tackle: the challenge of freeholders and leaseholders of some residential buildings, in particular those that need remediation, who are struggling to obtain affordable buildings insurance; and the challenge faced by some construction professionals —the fire-safety professionals in particular—in obtaining affordable professional indemnity insurance.

As the hon. Gentleman said, engaging with the insurance sector and other relevant stakeholders—which the Government are doing on an ongoing basis—is vital to understanding the effects of building safety issues on insurance provision. We want—he has heard me say it before, and in no way do I apologise for saying it again— insurers to take a more proportionate approach in terms of the availability and cost of insurance, just as much as we want lenders to take a more proportionate approach with respect to mortgage lending.

The intention of the hon. Gentleman's new clause—to improve access to affordable residential professional indemnity insurance—we believe should be met by other provisions in the Bill. Efforts to remediate existing buildings, as he knows, are supported by the building safety fund and other measures that we will bring forward shortly. A combination of those measures and this Bill ought to ensure that buildings are safer. Therefore, both professionals and residents should be able to access more affordable insurance. He will also know that Lord Greenhalgh and others have worked closely with the insurance sector to ensure that appropriate professional indemnity insurance in extremis is available to professionals so that they may carry out their duties.

Mike Amesbury: The evidence is crystal clear. Despite interventions by Lord Greenhalgh—just mentioned—premiums are still going up, regardless of whether a building is 11 to 18 metres or 18 metres-plus, which is in scope. Again, I urge the Government to accept the new clause and to add the amendment to the Bill.

Christopher Pincher: I understand where the hon. Gentleman is coming from, but I was going to say that the Government have of course spent £700,000 to ensure that more fire risk assessors are available to undertake risk assessments to evaluate the challenges to building safety, thereby also contributing to a more proportionate risk and lending regime.

The hon. Gentleman said that this was straightforward. On one level it is, but on another it is not, by which I mean that is hard to disentangle the effect of building safety issues on the availability and cost of insurance from other issues and where other market trends apply. For example, heavy rains or flooding can also have an effect on market trends, lending, and risk assurance availability and its price.

In conclusion—this is important—following Royal Assent to the Bill, and indeed before it, we will continue to monitor closely the provision of insurance and we will work with stakeholders, including freeholders and

[Christopher Pincher]

leaseholders, to encourage a much more proportionate approach for insuring, for pricing insurance, and for ensuring and delivering its availability.

Mike Amesbury: I thank the Minister for giving way again. He is generous with his time. To help focus minds in the insurance sector, will the Government consider a referral to the Competition and Markets Authority? For the life of me, I cannot understand how, when risks are reduced in some buildings up and down the country, we are seeing this pattern emerge of increases of 1,000%—

11.25 am

The Chair adjourned the Committee without Question put (Standing Order No. 88).

Adjourned till this day at Two o'clock.