End Our Cladding Scandal meeting with Barratt – September 2024

On 2nd September, we met with directors from Barratt's Building Safety Unit to discuss progress with their remediation programme. We met Simon Kirk, now Managing Director of the Unit, and Kieran Walker, Senior Technical Director.

This followed our initial meeting with Barratt in November 2023 and our more recent meeting in May 2024.

We met just a few days after a devastating fire destroyed the homes of more than 80 people during a cladding remediation project at the Spectrum building in Dagenham, and two days before the Grenfell Inquiry's Phase Two report was due to be published. Before, during and after the meeting, our campaign team was inundated with urgent enquiries from concerned residents and journalists; there was a palpable sense of the urgency needed to make homes safe and the serious consequences when it is left too late. It was jarring that throughout our meeting with Barratt, we didn't hear any urgency about making homes safe and didn't feel that the ongoing impact on residents' lives was really understood and appreciated.

Overall, we left the meeting feeling that the government's current approach to developer-led remediation is not doing enough to make people's homes safe, protect them from costs, and restore confidence to insurers, mortgage lenders and future buyers of flats. The scale of work to be done is still enormous.

£628m now set aside for fire safety costs – an increase of £126m

Two days after our meeting, Barratt released its results for the year ending 30th June 2024, and the company's full annual report and accounts was subsequently released on 16th September.

At the year-end, Barratt's financial provision for future fire safety remediation costs had risen to **£628.1m** (see page 187). This is in addition to almost £100m already "utilised" or spent to date, bringing Barratt's total expected spend on fire safety remediation to approximately £725m – far more than any other UK developer (although we await an annual update from Bellway, currently the second highest).

Expected costs for defective reinforced concrete building frames are accounted for separately. These costs have also soared, with an additional £56.6m being recognised in the year.

19. Provisions continued

	Group			
	Costs in relation to completed developments £m	Legacy properties - EWS and associated review £m	Legacy properties reinforced concrete frames £m	Total £m
At 1 July 2023	176.1	535.9	76.4	788.4
Additions	67.7	125.9	56.6	250.2
Sites reclassified to completed developments	15.0	—	—	15.0
Releases	(20.5)	—	(3.5)	(24.0)
Revaluation due to the present value and timing of cash flows	—	(0.6)	1.6	1.0
Imputed interest	—	26.3	3.2	29.5
Utilisation in the year	(47.4)	(59.4)	(32.1)	(138.9)
At 30 June 2024	190.9	628.1	102.2	921.2

In relation to fire safety remediation works, there were **£125.9m** of new costs identified in the year. Almost half of this amount was due to "higher than expected tender returns and cost increases" for some buildings being remediated under the government's Building Safety Fund, which will be reimbursed by Barratt.

The other £69.5m of newly recognised costs were related to fire testing and future remediation plans for an un-named "development of three buildings," where the annual report explains that there is a "unique wall system in place, which [Barratt] now assess will need to be replaced."

It was not confirmed during our meeting, but we believe this refers to a development in **Poplar**, east London, where the remediation of three high-rise towers is expected to be so complex that works will take at least three years. Barratt's team advised us that they are hoping to get access to begin research at this development in October, ahead of piloting the removal of the wall system in a small number of flats, with the intent to create a process that might "lessen the impact" of the remediation works on residents. Works are currently expected to start on site by May 2025 – and therefore completion is estimated to be mid-2028.

The extensive nature and extremely long duration of the remedial works which the residents will have to live through, plus the likelihood they will need to be decanted into temporary accommodation at some stage, is making property sales and rentals almost impossible. There have been only three sales in the last two years, including sales at auction. In the words of the leaseholders, which we shared with Barratt's directors, "they pretend our flats are sellable; they know this is a lie." As we stated to Barratt at our previous meeting, we believe developers should be offering buybacks at fair value at any development where remediation works are excessively disruptive or long; this is something that the government could mandate if necessary.

	30 June 2023	Identified for review	Review confirmed no remediation, or remediation completed	30 June 2024
Under review:				
Buildings above 18 metres	168	6	(28)	146
Buildings between 11 and 18 metres	110	20	(14)	116
Total buildings	278	26	(42)	262
Developments	89	14	(11)	92

Barratt's annual report shows that there has been some progress tackling the backlog of buildings waiting for remediation, but it has been limited. In total, 262 buildings in 92 developments (UK-wide) are currently "under review" or expected to require remediation (excluding those where works are already completed).

During the year, 42 buildings had either completed remedial works or were assessed as not requiring remediation – but the company also discovered an additional 26 buildings that will require works. It is troubling that seven years after Grenfell, so many new buildings are only becoming known now, which were not previously expected to need remediation. Because so many buildings have not yet had a full assessment, this number could still increase.

164 Barratt buildings still waiting for an assessment

At the time of our meeting, the most recent developer remediation data available from MHCLG (for buildings in England only) was four months out-of-date. However, an update published by the Department in mid-September showed developer progress at 31st July 2024. At that stage:

• **537** Barratt buildings had been assessed (77% of relevant buildings), slightly below the industry average of 81%. Another 27 buildings would need to have completed an assessment to be in line with the average.

• **24** buildings had been assessed in the quarter (May to July 2024). Progression has been relatively consistent each quarter and the scale of assessments undertaken by Barratt has exceeded most of their industry peers. But even at this pace, it could still take another 7 quarters to complete all assessments – up to April 2026 – because as many as 164 buildings were still waiting for an assessment.

• **196** buildings had been identified as requiring remediation (36% of assessed buildings). This rate was slightly better than the average for all developers, which was 39%.

• **63%** of buildings identified for self-remediation had not yet started works (114 out of 182), behind the average pace for all developers, which was 59%.

• **52** buildings had either completed self-remediation works or (the majority) were awaiting building control sign-off. This is better than the industry average (29% Vs 18% of buildings).

• Bizarrely, the number of Barratt buildings reported to have either started or completed works had **decreased** since the prior quarter (was 70, now 68, net change -2).

• **0%** of the buildings that were scheduled to start remediation work in the quarter did so (0 out of 9).

• Of the 114 buildings identified for self-remediation but not yet started, 95% had a scheduled start date. **75%** (85 buildings) were scheduled to start in the next 12 months (by July 2025).

• **15** buildings were not expected to complete works until 2028/29 – which means that these leaseholders and residents are still four to five years away from getting their lives back (if the timelines don't slip further). Some buildings not yet identified as requiring remediation work may be even further from the finish line.

Remediation timelines impacted by the Building Safety Regulator

The media coverage of Barratt's annual results underscored "the huge scale of the work still required" to make homes safe and the slow pace of remediation since Grenfell. In response, Barratt pointed to practical constraints affecting progress, including the limited number of qualified fire engineers, supply chain / contractor issues, and the logjam at the Building Safety Regulator (BSR).

In recent months, leaseholders at several developments had been informed by Barratt that delays to remediation start dates were due to the longer process for building control approval under the new BSR. For example, at a development in **Brentford**, west London, leaseholders were notified in March that a building control application had been made to the BSR; the expected 12-week timeline had long since passed but at the end of August, there was still no update on the application's status.

Barratt advised us that in almost every case, with only one exception so far, the BSR had requested an extension of between 4-8 weeks. They shared an example of a **Basingstoke** development with five buildings, which was one of Barratt's first to receive approval from the BSR; this had taken 24 weeks. However, it is worth noting that any delays caused by the BSR process are only the latest in a long list of other delays to works starting at this development; leaseholders and residents had already been waiting for more than three years since the need for remediation was first identified in 2021.

It was recently reported that over 40% of applications for building control approval on higher-risk projects have been invalidated or rejected by the BSR because "they were either incomplete or failed to demonstrate full compliance with building regulations." However, no developer that we have spoken with, including Barratt, has admitted to any of their submissions having been rejected for these reasons.

Barratt informed us that they had requested a meeting with the Regulator's head of Building Safety so that they could raise the issues around timelines and resourcing, The CEO had also written to senior management at the Health and Safety Executive (HSE) and the Housing Minister, Matthew Pennycook, to seek solutions to the current delays, which are having an impact nationally, not just for Barratt.

Other delays to building assessments

At our last meeting in May, it was noted that previous difficulties agreeing access licences with some building owners were lessening. The impasse that had been experienced at several buildings where E&M was the freeholder's agent seemed to have been unblocked.

As a result, leaseholders at a large development in **Wimbledon** had been informed that intrusive surveys would take place in Q3 2024, to assess what remedial works were required to their buildings. During our meeting, a leaseholder from this development asked Barratt's directors why no further update had been

received, as Q3 was nearing an end. Barratt advised us that a communication had been sent to the managing agent only two working days before our meeting, for onward distribution to the leaseholders. One month later, an update had still not reached leaseholders, and they remain in the dark about the reasons for the delay and when an assessment will finally be carried out.

At a development in **Southampton**, where grant funding had originally been approved by the BSF prior to Barratt signing the developer self-remediation contract, leaseholders similarly felt there was still "no timeframe, urgency or commitment" to what remedial work would be undertaken at their buildings. Potential buyers have frequently pulled out of purchasing a property here due to the lack of certainty and timelines, therefore many leaseholders have become accidental landlords. A communication received via the managing agent in April 2024 had indicated that contractors were being sought to undertake intrusive surveys, but there had been no update since then.

Barratt noted that two buildings at this development had already achieved an EWS1 confirming that no remedial works would be required, but they accepted there had been delays at two other buildings where permissions had been required from E&M. An agreement had been struck earlier in the year, so this was "no longer a blocker;" however, they were unable to provide any update about when surveys would finally take place.

Beyond E&M, access permissions still appear to be an ongoing issue for some other building owners. Leaseholders at an Aviva-owned building in **Bromley-by-Bow**, east London, were aware that legal negotiations were in progress earlier this year but were still awaiting confirmation that an access licence had been agreed to allow intrusive surveys to be undertaken. The continued delays and lack of communication were causing significant concern and distress. Unfortunately, we could not get any update on the situation as Barratt's team did not recall whether the building that we referred to was a Barratt development (it was).

We are also concerned about Barratt's lack of plans to assess a building in **Putney**, southwest London. A recent buyer was assured during the purchase process that the building was covered by Barratt's self-remediation contract, but they had reason to be concerned about the quality of the existing EWS1 assessment. The EWS1 was carried out in 2021 – prior to the introduction of the PAS 9980 standard – by a fire risk assessor that, anecdotally, has a poor reputation amongst leaseholders for carrying out very rapid assessments which in many cases have needed to be revisited and revised at a later date. The leaseholder became concerned after the managing agent passed on a comment from the fire risk assessor, which claimed that *"In doing an EWS1 survey, they do not and would not have done an assessment of the external cladding."*

Most developers have advised us that they are proactively assuring themselves of the quality of older assessments or requesting more up-to-date building assessments, but when this leaseholder made enquiries directly with Barratt, they were reportedly told that the building was simply "not on [Barratt's] radar" to have an updated assessment. They had raised their concerns with the managing agent, who agreed to seek a new Fire Risk Appraisal of the External Wall (FRAEW). When we raised this case with Barratt, they told us they were "unaware" of any concerns with this building and that in principle, they would be satisfied by an EWS1 with an A1 rating without undertaking any quality assurance, no matter if the assessment was from 2021. We will be advising the leaseholder to raise their concerns directly with MHCLG.

Delays between completing a building assessment and starting works on site

At another E&M building in **Chelmsford**, leaseholders had received confirmation that their FRAEW survey had been undertaken in March 2024. However, this was still being peer reviewed more than five months later. Leaseholders were waiting for an updated "letter of commitment" with a confirmation of the scope of works and timetable for works, in the hope that this would increase the chance of banks agreeing to lend mortgages on their properties and make it possible to sell and move on. Barratt did not explain the reasons for the delay but advised us that they had recently written to the new constituency MP, Marie Goldman, who has been advocating for leaseholders, and that they hoped to meet with her soon.

At a development in **Lewisham**, east London, the length of time that had elapsed while waiting for an assessment outcome was even longer. Almost a year after it was conducted in October 2023, leaseholders finally received an update in August 2024 which advised that the report was being peer-reviewed – and it appeared that further investigation could be needed. Barratt's team told us they were "not aware" of the lengthy delays at this development, so they could not provide any further comment.

Similarly at a development in **Leicester**, where there are issues with combustible insulation and missing fire breaks, intrusive surveys were completed as long ago as December 2023, but no outcome or remediation plan had been communicated yet. Leaseholders are struggling to sell affected properties due to the lack of remediation plan and high insurance costs, which have rocketed by almost 300% since the building failed its EWS1 in 2021. Barratt had previously communicated that a peer review would be completed by the end of June 2024, but that date had come and gone with no further contact. Again, Barratt's team were "not aware" of the lengthy delays at this development so could not provide any further comment.

Barratt will only remediate buildings to the minimum standard required by the government contract

It is more than three-and-a-half years since Sir Keir Starmer visited the Royal Artillery Quays development in **Woolwich**, southeast London, and spoke out about the financial burden, stress and anxiety that leaseholders and residents were facing – but those problems still remain. A RAQ leaseholder, who had escorted Sir Keir on his visit, explained to Barratt's directors their serious concerns over the current plan to leave combustible spandrel panels between the windows and on stairwells – which are an escape route. (The remediation plan was still being reviewed by the BSR, which had requested an extension). They pointed to differences of opinion between different reports and made clear that Barratt needed to provide better supporting evidence about the level of risk if it wanted to win the trust of leaseholders and residents.

In response, Barratt's team summarised the situation by stating that "the residents [at RAQ] want an "A1" solution, but we will not be doing that at any building," regardless of whether they received a "barrage" of complaints and enquiries from leaseholders and residents. They pointed out that remediation to a "B1" standard is sufficient to meet their obligation under the self-remediation contract, which was agreed with the former government. A "B1" rating allows combustible materials to remain on the external wall if the risk is deemed by a fire engineer to be tolerable.

They noted that the scope of work at RAQ (and any other site) is determined by fire engineers in accordance with an agreed national standard (PAS 9980), although agreed that outcomes of PAS 9980 assessments can be subjective. Assessments may be subject to audits by MHCLG and Barratt also commissions a peer review for every FRAEW assessment which in their view, provides quality assurance that their remediation decisions are appropriate. It was their understanding that there is only one other developer that similarly commissions a peer review of every assessment, although they would not name which developer they were referring to.

We asked if Barratt had liaised with RAQ's building insurer to address the concerns that insurance costs would remain permanently high under the current remediation plan. It was unclear whether this had happened, but they reiterated the company's position that increases in insurance costs are not the responsibility of developers and not included under the remediation contract terms agreed with the former government.

Simon Kirk also commented that if the company was to anticipate a future legal challenge which might impede remediation progress at a later point, that might result in them deciding not to start works, in order to avoid the disruption of having to pause works midway through, which could add complexity and cost. We asked Barratt to clarify if that meant they were seeking a commitment from leaseholders (or any other party) that they would not exercise their rights to take legal action, but they said this was not the case and they were not asking anyone to waive their rights.

It is worth noting that Clause 20.2 of the government's developer remediation contract makes it clear that entering into the developer contract does not affect or prejudice any claim or demand that any third party

or Responsible Entity may have against a Developer, and "all civil claims… remain capable of assertion to their fullest possible extent." If you are a leaseholder, at this site or any other, and believe your developer could be liable for further remediation works or mitigation measures which are not covered by the developer contract, then you may wish to consider taking legal advice on options to seek redress by other means.

Fire doors and other costs within scope of the developer's commitment

Although it is positive that Barratt is engaging with leaseholder and resident concerns at meetings such as this one, we often found ourselves repeating, for a second or third time, the same issues we had previously raised and which we had previously been assured would be followed up.

For example, we repeated the concerns of leaseholders in **Wimbledon** about the costs of fire door surveys and fire door remediation, which are expected to be passed onto them through the service charge – even though, for example, gaps exceed the regulations and would have been non-compliant at the time of build. Two separate surveys had been commissioned with different contractors in 2023 and 2024. Barratt were unable to advise if they had determined whether fire door costs would be covered by their responsibilities under the developer remediation contract, or whether they had even requested or received the surveys.

Barratt's team committed to following up with leaseholders at this development after the meeting. However, at this and several other developments – including in **Milton Keynes** and **Southampton** – leaseholders tell us they are similarly in limbo waiting to hear about fire door costs and that they do not yet have an assurance that the freeholder or developer will not try to pass off 100% failure rates as "wear and tear."

We also touched briefly on a question raised by leaseholders in **Poplar**, about the additional costs that may be incurred if Barratt and their contractor were to be named on the building insurance policy during a remediation project. Barratt confirmed that this would be reviewed on a case-by-case basis but if any additional costs arise from this, it would usually be considered an eligible cost for Barratt to fund.

Communication and the Code of Practice for Remediation

Because the Spectrum building in Dagenham was destroyed by a fire during a cladding remediation project, we discussed the increased concerns of residents about how remediation will be conducted. It is too soon to know the cause of the rapid fire spread in this particular incident, and whether the cladding or other building defects were a factor, but the BSR will also be investigating how the remediation work was organised and undertaken. The incident has starkly highlighted the additional safety risks for residents who are forced to remain in their homes during remediation works – when combustible materials in the external wall are exposed and there is a risk that timber-planked scaffolding or sheeting may become involved in a fire.

We explained that residents and leaseholders want to understand the process by which Barratt makes decisions about whether to decant residents or leave them living on a construction site; whether any consideration is given to the risk of commercial usage continuing in a building while remedial works are in progress; what protections will be provided during works, including alarms and sprinklers; and what commitment the developer will make regarding consultation and communication during the works.

Leaseholders at a large development in **Milton Keynes**, for example, told us that Barratt had "ignored requests to discuss the Remediation Code of Practice" or to answer questions about the materials that will be wrapped around their buildings during remediation works; they quite rightly expect Barratt to consult with leaseholders and residents over decisions which will impact their daily lives. Barratt advised that regular meetings would increase at this site in the coming months in the lead-up to starting works.

Barratt told us they were not making excuses, but their remediation programme includes a very large number of buildings, and they have a "proactive communications approach." They agreed that there needs to be

communication at regular intervals and in line with the expectations they have set, even when there is no news to share. Aside from the dedicated email inbox for leaseholders and residents, they advised that as remediation approaches at each development, there would be an increase in face-to-face meetings, town hall forums and FAQs. Consultants would be brought in to explain the design of scaffolding and any sheeting or wrapping around the building, including its impact on fire safety concerns, its duration, and the impact on residents day-to-day (for example, can I open my windows or will I be able to see any daylight?).

They shared an example from **Basingstoke**, where works were due to start imminently, where there were meetings with leaseholders and residents on a monthly basis and there is a Resident Liaison Officer on site, dealing with questions on a one-to-one basis. They assured us that other developments should expect to see an increase in two-way communication as remediation approaches.

Call to action!

Are you a leaseholder or resident in a Barratt building, having issues in relation to assessment or remediation – and unable to get a satisfactory response via your managing agent? Please email the developer directly at ewsenquiries@barrattplc.co.uk and copy us at endourcladdingscandal@gmail.com if you would like us to be aware of the issues being raised and to follow up if needed.

If you need to escalate your concerns to MHCLG, please email building.safety@communities.gov.uk, providing the name and address of your building, together with a short summary of your concerns, and detailing the attempts you have made to contact the developer. Please copy our team at endourcladdingscandal@gmail.com so that we can follow up where necessary.