

BUSINESS INSIGHTS

PROPERTY

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CLADDING REMEDIATION WHAT'S REALLY TOLERABLE?

INSIGHTS FROM
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Why developers and property owners need to be considering the long-term costs when it comes to remediation.



CLADDING REMEDIATION WHAT'S REALLY TOLERABLE?

Since the Building Safety Act 2022 brought in new legislation around higher-risk buildings and the duty of accountable persons, cladding remediation remains a key topic for developers and landlords. Indeed, the new rules issued last year continue to protect leaseholders of residential buildings above 11m in England from bearing associated cost. The requirement is for transparency in how unsafe cladding will be remediated and funded, whether this be via the taxpayer-funded scheme or a developer-funded scheme, impacts key players within the industry.

The changes to the regulations have seen a number of new building surveying firms entering the market as developers and freehold owners review their legal obligations around cladding remediation. However, the issue of historical remediation work on high-rise is not new, and experienced building surveying firms have been providing specialist knowledge to leaseholders, owners and developers for some-time.

One such firm is Blakeney Leigh; as a multi-disciplinary property and building consultancy their team has extensive experience of working on high-rise remediation.

They work with clients to review and resolve the serious historical fire safety defects that are either from the original build or a subsequent refurbishment. This means their awareness and understanding around remediating unsafe external cladding gives clients a reassurance about their ability to help them deliver solutions on time and on budget.

Demonstrating experience

“We work on high-rise remediation across the UK,” Stuart Smith, Senior Surveyor at Blakeney Leigh explained. “From answering the simple questions around what freeholders or owners can charge as part of the service charge around new and upgrades in relation to fire-related activities through to full scale remediation. Something as innocuous as a timber balcony has a number of connotations around whether it’s replacement can be included.

“Having the breadth of cladding remediation experience within the team, we are able to provide a turnkey solution. We write the specification of work, help clients to tender, provide costings and advise the people who do the work by project managing on site and carrying out quality inspections. We bring expertise across building surveying, project management, quantity surveying and Clerk of Works. Having the skills in one team means a seamless high-quality provision throughout the life of the remediation project. It also provides the benefit of a single point of contact within Blakeney Leigh for clients.”

Reducing costs

One of the differentiators between experienced cladding remediation surveyors over newer suppliers is often the recognition that there isn’t a ‘one size fits all’ solution. The key elements that build up the right solution include:

- Understanding the current fire risk appraisal of external walls (FRAEW PAS9980)
- The incremental relationship between remedial work and reduction in insurance costs to find the right balance for clients
- Future-proofing to prevent additional costs being incurred at later legislation changes

Working with developers

The number of developers publicly signing up to the developer pledge has continued to increase from the original 42; by December 2023 a further 12 had also committed to remediate life critical fire safety works in any building over 11m which they developed or refurbished over the past 30 years. There is an increasing awareness amongst developers of the need for reputation protection. Those that are leading the way are ensuring that they communicate with residents about progress as part of this.

However, while some are a significant way through the cladding remediation programmes for their portfolios, there are others who are lagging behind. The reputational and buyer-confidence impact may begin to become apparent as leading developers publicise completion – highlighting the gap with those who are lagging.

Hidden challenges of ownership

It's not just developers who are having to consider cladding remediation within their property portfolio; councils, asset management firms and institutional freeholders (such as pension funds and serial freeholders) are also having to consider their obligations around remediation and the impact on service charges.

At Blakeney Leigh the experience ranges from property managers and councils through to student accommodation and developers. Each client has a remediation approach that fits within their specific tolerable standards.

Finding solutions

In order to identify the best fire safety remediation that will give confidence in the future about new buildings, several elements need to be considered:

- remediation can be incremental; from replacement of an entire cladding system through to Early warning life safety systems, suppression or fire compartmentation installed in the external wall system.
- whether the building qualifies a relevant building and if it doesn't then what proportionate remedies are most appropriate; should they consider sprinkler systems or install fire alarms. It is now acceptable on "relevant buildings" that a proportionate approach is also acceptable e.g. fire alarms.
- what constitutes as 'tolerable standards' for the building
- is this a retrospective claim, self-funded or one of the Government's three sets of funds

"The regulation regime has shifted," Stuart concluded, "And there can be little doubt that it will continue to come under greater scrutiny. We've been working with clients on remediation around fire related upgrades for over five years. During this time we have helped developers, councils and property owners to ensure they are fulfilling their legal obligations as well as future proofing the properties against increased costs, reputational damage and later changes to legislation.

"That's why Blakeney Leigh is known for finding the best remediation solution for our clients."