

## The Building Safety Fund



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## Building Safety Fund ('BSF') – To cover



- What is it?
  - General eligibility requirements
  - Current timeline and take-up
  - Apparent difficulties
  - Potential changes
  - Practical ramifications:
    - Failure to obtain funding
    - If get funding – how to use?
    - s20 consultation / dispensation
- *All in 15 minutes!*

## BSF: What is it?

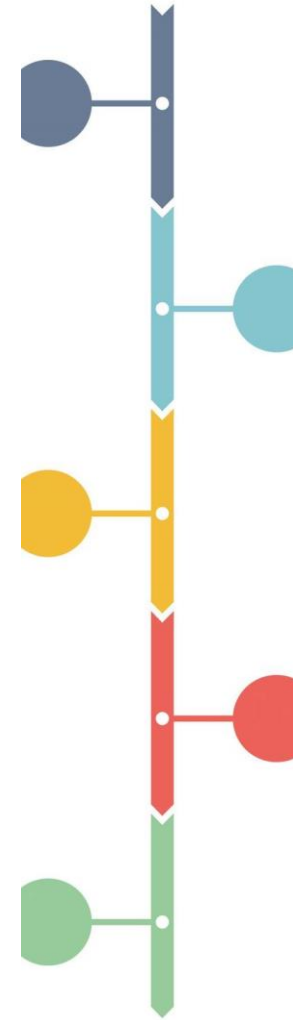
- Starting point:  
<https://www.gov.uk/guidance/remediation-of-non-acm-buildings>
- It isn't: the ACM fund
- £1bn – for 20/21 year
- Buildings 18m+
- HPL/EPS / combustible insulation etc.
- Private and public sector
- Applications made by building owners / responsible entity

## General eligibility requirements

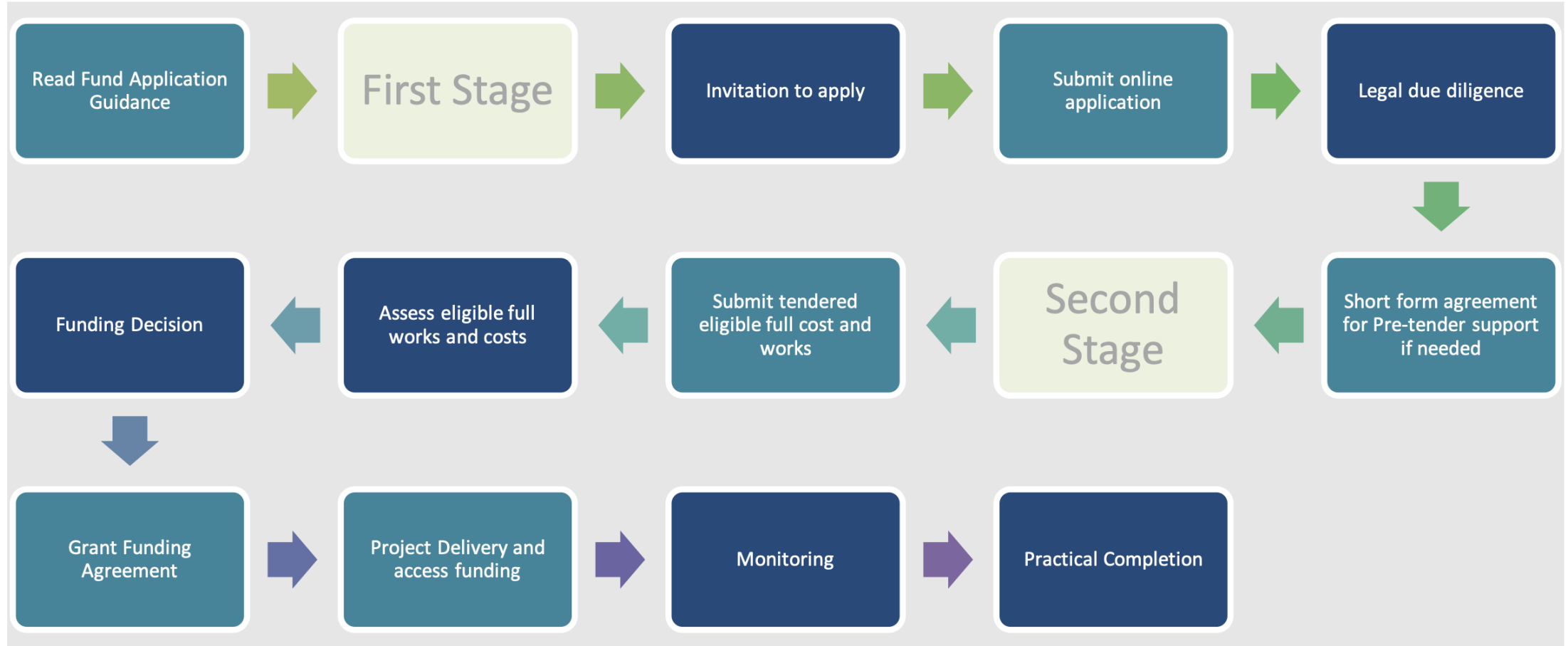
- Top storey at least 17.7m above ground level
- Cost of works must be recoverable from leaseholders
- Works must not have been committed to when BSF announced
- Mixed use ok, non-resi isn't.
- Social sector funding requirements
- Evidence – LOTS
- Pursue third parties – 'reasonable steps'

## Timeline / Take-up

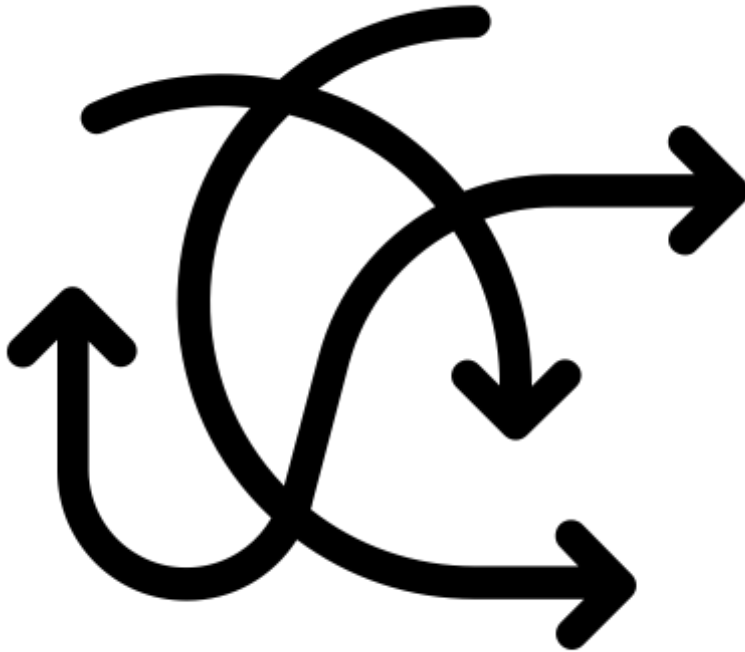
- Registration June / July 20
- Applications opened – from 1 August
- First come first served
- Validation: Homes England / GLA
- Slow process
- To be fully costed by 31/12
- Some stats:
  - 2784 registrations
  - Only 65 ready to proceed 25/9



# The process...



## Some difficulties...



⚠️ Doesn't cover mitigating measures

🏠 Where works fall under 2 funds

👜 State aid

📅 Timescales – 31 Dec, 31 Mar

📄 Funding agreements ('non-negotiable')

💰 Fund insufficient

⚠️ Limited availability of contractors

## Changes on the horizon

- Easy to speculate, more difficult to accurately predict...
  - Potentially a large number of developments won't be funded
  - Possible alternative / replacement scheme?
  - Extension of current deadlines?
- Driving factors:
  - Ultimately, political decision
  - Government wants to demonstrate progress with remediation
  - Any changes likely to be last minute



## Practical ramifications of BSF outcome

- Failure to obtain funding
  - Real difficulties in funding works in some instances
  - Costs not reasonably incurred?
- How to use BSF funding?
  - In effect, run project as if no BSF funding secured
  - Apply BSF funding as credit against bills of eligible leaseholders (i.e. no credit where fall foul of state aid rules, or commercial tenants).

## Practical ramifications of BSF outcome

- s20 consultation requirements must be met or dispensation obtained
  - Probably no need to consult for pre-works surveys as not ‘works’
  - Compliance with s.20 likely to be very difficult or impossible in many cases
  - Need to commit to contract promptly if funding secured to meet timescales
  
- Dispensation (s20ZA LTA85):
  - **No time limit**, but recommend apply as soon as able to evidence app properly; ideally prior to binding contract.
  - Comply as far as you can – NOI usually possible
  - Extra-statutory / informal consultation very desirable.
  - Communication is key to straightforward dispensation app

# Thank you for listening

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