

# GREATER LONDON AUTHORITY

## REQUEST FOR DIRECTOR DECISION – DD2778

**Title: Building Safety Cost Consultants**

**Programme: Improving London's Housing Stock**

### **Executive Summary:**

The Government committed £600m nationally to pay for the removal and replacement of unsafe aluminium composite material (ACM) cladding from residential tower blocks over 18 metres, as part of the Social Sector ACM Cladding Remediation Fund in 2018 and the Private Sector Cladding Remediation Fund in 2019.

Additionally, a £4.5bn nationwide Building Safety Fund (BSF) was introduced in 2020 to fund the removal and replacement of unsafe non-ACM cladding systems on tower blocks of over 18 metres owned by councils, housing associations, and private sector entities.

The Greater London Authority (GLA) is administering these funds for selected eligible buildings in London. All substantive decisions regarding the scope of the fund and approval of applications will be made by the Ministry for Housing, Communities and Local Government (MHCLG).

This decision is a record of approval for expenditure of up to £1,305,900 to procure cost consultancy services over three years (2025-26 to 2028-29), with an option to extend until 2030-31. These services are a mandatory requirement for all BSF and Private Sector ACM Cladding Remediation Fund (PSCRF) MHCLG funding decisions and will benefit both the GLA and MHCLG by helping ensure capital investments delivered through the Funds represent value for money to the taxpayer.

This is a continuation of activities that have previously been authorised under Mayoral Decisions MD2630 and MD2490 and are referenced in MD3396 Delivery Plan – Improving London's Housing Stock.

All costs will be reimbursed by MHCLG, ensuring no net cost to the GLA.

### **Decision:**

That the Executive Director of Housing and Land records that prior to the commencement of the procurement they approved expenditure of up to £1,305,900 to procure cost consultancy services to assess value for money on the Building Safety Fund, Social Sector ACM Cladding Remediation Fund and Private Sector ACM Cladding Remediation Fund for 3 years from financial year 2025-26 to 2028-2029 with the option to extend until 2030-31 and records the reasons for the decision, pursuant to the Openness of Local Government Bodies Regulations 2014.

### **AUTHORISING DIRECTOR**

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

**Name:** Tim Steer

**Position:** Executive Director, Housing and Land

**Signature:**



**Date:**

2 February 2026

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE**

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1. The GLA require a cost diligence service to assist it in fulfilling its role of administering the Building Safety Fund (BSF), Social Sector ACM Cladding Remediation Fund (SSCRF) and Private Sector ACM Cladding Remediation Fund (PSCRF).
- 1.2. The requirements for this service have previously been outlined in Mayoral Decisions MD2630 and MD2490 and are referenced in MD3396 Delivery Plan – Improving London’s Housing Stock.
- 1.3. In 2018, the Government committed £400m nationally to remove and replace aluminium composite material (ACM) cladding from residential tower blocks over 18m owned by councils and housing associations as part of the SSCRF.
- 1.4. The Government announced the £200 million Private Sector ACM Cladding Remediation Fund (PSCRF) on 9 May 2019. Its purpose is to fully fund the removal and replacement of unsafe Aluminium Composite Material (ACM) cladding systems on high-rise (18m or above with a 30cm tolerance) private residential buildings.
- 1.5. The Government announced the £1 billion Building Safety Fund (BSF) in the Budget on 11 March 2020, to fund the remediation of unsafe cladding systems on high-rise (18m or above with a 30cm tolerance) residential buildings. The first tranche of the BSF was significantly oversubscribed and by July 2022, MHCLG confirmed the expansion of the BSF to £4.5 billion and re-opened it to new registrants.
- 1.6. PSCRF Applicants can apply for ‘Pre-Tender Support’ (seed funding to cashflow professional team appointments and other costs required to enable the applicant to get their project to the point of starting on site), and once applicants have secured a valid tender price for the works, they will submit the ‘Full Works and Cost’ (FW&C) application. PSCRF applications may be either ‘self-certification’ (where the applicant certifies their own works and costs) or ‘full diligence’ (where the appointed cost consultant carries out full diligence of the applicant’s full works and costs proposals). There are also two types of payment profile for PSCRF buildings: monthly, and 80/20 (whereby 80 per cent of the grant is released at the start of the project and the remaining 20 per cent at completion). The type of payment profile will influence the technical diligence requirements. All PSCRF buildings are assigned a remediation advisor.
- 1.7. BSF applicants are also given the opportunity to receive a ‘Pre-Tender Support’ (PTS) grant, and in some cases, the appointed cost consultant will be asked by the GLA to help determine what a reasonable amount of PTS funding to award an applicant is – especially in cases where an applicant’s request appears to be disproportionate to the scope of eligible works.
- 1.8. Once BSF applicants have secured a valid tender price for the works, they are required to submit their ‘Full Works and Cost’ application – this is the point at which they provide the GLA with detailed project information, specifically the scope of the works (e.g. Specification or Employer’s Requirements) and detailed costs (Tender Report/Contract Sum Analysis and Contract Pricing document). Applicants are required to set their costs out within a BSF prescribed template referred to as a ‘Full Works and Costs’ document. The GLA need to carry out cost diligence on every Full Works and Costs application submitted to it. A key element of this work is instruction of a benchmarking report from cost consultants that will be used to help the GLA determine the reasonableness of the applicant’s costs when compared to a benchmark. This process can result in deductions being made to the applicant’s requested grant award. Once diligence is complete, the application is presented by the GLA to government with a recommendation and MHCLG can either choose to approve or reject.
- 1.9. As circumstances change on site or as costs increase due to unforeseen overruns or variations to the contract scope, applicants on BSF and PSCRF can also submit requests to vary their maximum grant sum to the GLA – these requests can be to increase or reduce their approved

grant award. In such cases, the cost consultant will be asked to review the cost variation request for reasonableness, consider whether it is compliant with Fund Guidance, and issue a recommendation report setting out the findings. Cost variations are common for the BSF and most applicants will need to submit at least one.

- 1.10. On SSCRF when Stage 2 (final) costs are submitted, assessment is required to establish whether costs requested remain within scope and that any increases from Stage 1 are fully justified. Stage 1 being the initial funding stage under which eligible building owners submit an application for each building, including initial information and cost estimates for the proposed remediation works. Following eligibility, scope, materials, value-for-money, and assurance checks, 80per cent of the eligible costs are paid once works have commenced on site. This is reviewed in-house through a cost variation analysis, comparing the eligible costs approved at Stage 1 with the final eligible costs submitted at Stage 2. This process is normally sufficient because final costs typically remain within an acceptable range of the initial approved figures, and any variances can be readily assessed against the evidence submitted. This aligns with the SSCRF's requirement that all cost changes are to be fully justified, remain within scope, and continue to represent value for money.
- 1.11. There are circumstances on SSCRF where an internal review is not adequate and a referral to a cost consultant for an independent review is appropriate. These include situations where:
  - final eligible costs fluctuate significantly from approved Stage 1 amounts, leading to a substantial variance exceeding more than 10per cent of the original total grant approved with significant line-item variances
  - cost movements are complex, unusually large, or difficult to validate through standard documentation alone
  - additional assurance is required to demonstrate that all increases are reasonable, justified, and accurately reflected before progressing a Stage 2 claim.
- 1.12. An independent review on SSCRF offers a more detailed and impartial assessment of cost changes. A cost consultant can verify the validity of the increases, test value for money, and help ensure that the final costs submitted comply with SSCRF requirements. This provides the level of assurance needed before releasing the remaining 20per cent of funding or determining whether cost recovery or grant adjustment may be necessary.
- 1.13. The cost consultant role is a highly skilled one conducted by chartered surveyors with detailed knowledge of ACM and non-ACM external wall remediation as well as non-cladding mitigations
- 1.14. The deliverables of the cost consultant include assessments of PTS, FW&C and Cost Variations and the production of accompanying reports, site visits and Reimbursement Reviews (an exercise to review the final costs against the initial amount approved, including any variations).
- 1.15. The cost consultant may also provide advice and support for the GLA outside of specific applications on an ad hoc basis.
- 1.16. The GLA expect to release up to £3 billion in public capital funding over the duration of the PSCR and BSF programmes. The decision recorded in this form will secure continued access to the high-quality technical diligence (cost consultant) services that are crucial to administering the funds effectively, and in compliance with government's expectations of the GLA as its Delivery Partner. These expectations are codified within two Memorandums of Understanding (MOUs) – one for each PSCR and BSF. Under these MOUs, the MHCLG are committed to paying the GLA all 'reasonable and evidenced' technical consultancy costs for the purposes of administering the funds for London. This means the GLA will be reimbursed (quarterly, in arrears) for all reasonable costs incurred under these contracts by the MHCLG.
- 1.17. Following the expiry of our previous cost consultant contracts, new contracts were required to give the GLA access to high quality commercial expertise in a cost-effective manner that benefits the GLA

and MHCLG by helping ensure capital investments delivered through the Funds represent value for money to the taxpayer.

- 1.18. Mayoral Decisions MD2630 and MD2490 provide the Executive Director of Housing and Land with delegated authority to take decisions on revenue expenditure for the purposes of the BSF and the PSCR. The Executive Director, Housing and Land prior to the commencement of the procurement approved expenditure of up to £1,305,900 to procure cost consultancy services to assess value for money on the BSF and PSCR for three years from financial year 2025-26 to 2028-2029 with the option to extend until 2030-3. There was no record of this decision at the time, including because MD2630 delegated authority to the Executive Director to take such decisions without the further need for a decision form.
- 1.19. Pursuant to the Openness of Local Government Bodies Regulations 2014, this Director Decision asks the Executive Director to record the above decision. Those regulations require the record to provide details of alternative options, if any, considered and rejected. No alternatives to the expenditure were considered. For the reasons given above, procurement of such consultants is a necessary part of the BSF and PSCR process. In addition, the cost of the cost consultant contracts is to be funded from MHCLG Building Safety, Social Sector and Private Sector Cladding funding and to be claimed from MHCLG in arrears as part of Building Safety unit's quarterly claim to them.
- 1.20. Following this, there was a GLA procurement for costs consultants to perform the roles identified above. Cushman & Wakefield, and Arcadis in partnership with Mott MacDonald, were successful in the procurement. They were procured in accordance with the GLA's Contracts and Funding Code. Contracts were established and executed between GLA and the contractors in July 2025. The total value of the contracts is £1,305,900. The contracts are for three years, with the option to extend for a further period of up to two years, in increments of one year. The appointed cost consultants help the GLA assess the value for money and eligibility of project costings submitted by applicants to the Funds. The GLA use the appointed cost consultancy's findings and recommendations to help it establish whether an application for government funding can be recommended to the MHCLG for approval.
- 1.21. These contracts are part of the Development Monitoring and Management Services framework allowing the GLA to use services as needed up to the value of £ 652,950.00 each.

## **2. Objectives and expected outcomes**

- 2.1. The objective of the procurement was to secure high quality commercial expertise in a cost-effective manner that benefits the GLA and MHCLG by helping ensure capital investments delivered through the Funds represent value for money to the taxpayer. In particular, the cost consultants will help the GLA assess at pace the value for money and eligibility of project costings submitted by Responsible Entities to the Funds. The GLA will use the service providers' findings and recommendations to help it establish whether a Responsible Entity's application for government funding can be recommended to the MHCLG for approval.

## **3. Equality comments**

- 3.1. Under section 149 of the Equality Act 2010 (the Equality Act), the GLA (including the Mayor) as a public authority must comply with the Public Sector Equality Duty when exercising its functions. This is a duty to have due regard to the need to eliminate discrimination, harassment and victimisation, and any other conduct that is prohibited by or under the Equality Act. The duty also requires the GLA to have due regard to the need to advance equality of opportunity, and foster good relations, between people who share a protected characteristic and those who do not. This involves having due regard to the need to remove or minimise any disadvantage suffered by those who share a relevant protected characteristic that is connected to that characteristic; taking steps to meet the different needs of such people; and encouraging them to participate in public life or in any other activity where their participation is disproportionately low.

- 3.2. Protected characteristics under section 149 of the Equality Act are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sexual orientation, and marriage or civil partnership status (all except the last being “relevant” protected characteristics).
- 3.3. Overall, London’s disadvantaged and marginalised communities suffer disproportionately from poor housing, they are therefore more likely to be living in buildings which still have unsafe cladding. The Building Safety Fund, Social Sector ACM Cladding Remediation Fund and Private Sector ACM Cladding Remediation Fund should therefore have positive impacts in such communities. The appointment of the consultants facilitates the effective and efficient administration and use of those funds.

#### 4. Other considerations

- 4.1. Identified risks:

RISKS	MITIGATIONS
The involvement of cost consultants can slow pace	<p>The use of these services is an established part of these programmes and are an expectation of MHCLG to ensure cost-effective high-quality delivery.</p> <p>There are SLAs around delivery which consultants will be held to account on.</p> <p>There are multiple contracts and teams to ensure that lack of capacity isn't an issue</p>
Cost consultants may fail to deliver quality outputs	<p>There are existing outputs which suppliers can look to regarding the expected standards.</p> <p>Performance issues will be flagged with suppliers as identified and should patterns of poor performance persist these will be escalated and activities can be assigned to other individuals or suppliers.</p>
Potential data leaks relating to commercially sensitive information	<p>Consultants will have access to a range of commercially sensitive data which, if disclosed, could lead to inflated costings or other adverse commercial impacts.</p> <p>The GLA will ensure that all suppliers maintain strict confidentiality of this information as part of the contract and comply with obligations under GDPR and the Data Protection Act 2018.</p>

*Links to Mayoral strategies and priorities:*

- 4.2. The programmes outlined in this decision support the following Mayoral strategies:
- 4.3. MD3396 Delivery Plan – Improving London’s Housing Stock and its London-level outcome to ensure Londoners’ homes are safe and decent.
- 4.4. The London Housing Strategy, which includes policies and objectives to ensure that both new and existing homes are high-quality, safe and sustainable, to improve the energy efficiency of existing homes, and to improve the quality of private renting.

- 4.5. The London Health Inequalities Strategy, which recognises the negative impact of poor quality and insecure housing on Londoners' mental and physical health, particularly for those from marginalised or disadvantaged groups.
- 4.6. There are no conflicts of interest arising from those involved in the drafting and clearance of this Decision form. As and when individual conflicts of interest arise during the delivery, they will be handled in line with the GLA policy on registering and declaring interests.

## **5. Financial comments**

- 5.1. The Executive Director of Housing and Land is requested to approve record of their decision to approve expenditure of revenue costs up £1,305,900 from 2025-26 to 2028-29 with the option to until 2030-31 to fund cost consultant payments related to the BSF and PSCRF programmes.
- 5.2. The cost of these contracts is to be funded from MHCLG Building Safety and Private Sector Cladding funding and is claimed from MHCLG in arrears as part of the GLA's Building Safety unit's quarterly claim to them.
- 5.3. Budget and MHCLG income funding for consultancy contract is included in the 2025-26 and planned 2026-27 to 2028-29 budget. However, future years funding and budget will be subject to MHCLG funding allocation and GLA budget setting process and approvals therefore, to mitigate against risk of insufficient funding, a break clause should be included in the contracts, should funding change for future years.

## **6. Legal comments**

- 6.1. The procurement of the consultants to undertake the roles identified above in connection with the BSF and PSCRF is within the GLA's powers under sections 30 and 34 of the Greater London Authority Act 1999 (the GLA Act).
- 6.2. Under section 30 of the GLA Act, the GLA has the power to do anything that it considers will further any one or more of the GLA's principal purposes, which are:
  - a) promoting economic development and wealth creation in Greater London
  - b) promoting social development in Greater London
  - c) promoting the improvement of the environment in Greater London.
- 6.3. In deciding whether or how to exercise the general power in section 30(1), section 30 (4) of the GLA Act requires the GLA to have regard to the effect which the proposed exercise of the power would have on:
  - a) the health of persons in Greater London
  - b) health inequalities between persons living in Greater London
  - c) the achievement of sustainable development in the UK
  - d) climate change, and the consequences of climate change.
- 6.4. Where the GLA exercises the power under section 30(1), pursuant to section 30(5) it must do so in the way which it considers best calculated to:
  - a) promote improvements in the health of persons in Greater London
  - b) promote the reduction of health inequalities between persons living in Greater London

- c) contribute towards the achievement of sustainable development in the United Kingdom
- d) contribute towards the mitigation of, or adaptation to, climate change, in the United Kingdom.

6.5. The GLA must also make arrangements with a view to securing that in the exercise of the power in section 30(1), there is due regard to the principle that there should be equality of opportunity for all people in accordance with section 33 of the GLA Act and consult with such bodies or persons as the GLA may consider appropriate in this particular case in accordance with section 32 of the GLA Act.

6.6. Under section 34 of the GLA Act, the GLA, acting by the Mayor, the Assembly, or both jointly, may do anything that is calculated to facilitate, or is conducive or incidental to, the exercise of any functions of the GLA exercisable by the Mayor; or, as the case may be, by the Assembly, or by both acting jointly. The foregoing sections of this report indicate that the decision recorded in this document concern the exercise of the GLA's general powers under section 30 and section 34 of the GLA Act.

6.7. The Executive Director must have due regard to the Public Sector Equality Duty under section 149 of the Equality Act 2010. This requires consideration of the need to: (a) eliminate discrimination, harassment, victimisation and any other conduct prohibited by or under the Equality Act 2010; (b) advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation) and those who do not; and (c) foster good relations between such persons. In formulating the proposals recorded above officers have had regard to the Authority's related statutory duties under sections 30(4), 30(5) and 33 of the Greater London Authority Act 1999 (including the duty to have due regard to equality of opportunity), as well as the consultation duty under section 32 of that Act.

6.8. The Openness of Local Government Bodies Regulations 2014, regulation 7, provides that where a decision has been delegated to an officer either (a) under a specific express authorisation or (b) under a general authorisation and the effect of the decision is to award a contract or incur expenditure which materially affects the GLA's financial position, the officer to whom the delegation has been made must produce a written record of the decision (regulation 7(1) and (2)). Regulation 7(3) provides that the written record must be produced as soon as reasonably practicable after the decision has been taken and must contain the date the decision was taken, a record of the decision taken with reasons, details of options considered and rejected, if any, and where a decision is delegated under a specific express authorisation, any conflicts of interest. Regulation 8 requires the written record, together with any background papers, must as soon as reasonably practicable after the record is made, be made available for inspection by members of the public including on the GLA's website.

6.9. Officers have indicated at paragraph 1.20 that the contracts were procured in accordance with the GLA's Contracts and Funding Code, and that contracts have been entered into with the consultants. As the contracts were awarded via a framework, officers have also confirmed that the framework was itself procured in accordance with relevant procurement law and that the call-off complied fully with the requirements of that framework.

## 7. Planned delivery approach and next steps

7.1. This document forms a written record of the decision giving approval for the procurement and contract activity and this is reflected in the below table

Activity	Timeline
Procurement of contract	April 25
Delivery Start Date	July 25
Delivery End Date	June 28

**Appendices and supporting papers:**

None.

## Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

## Strategic Programmes

**Does this decision seek approval for activity falling within the remit of a programme delivery plan? YES**

If YES, which programme/s does this fall within: Improving London's Housing Stock

## Part 1 - Deferral

**Is the publication of Part 1 of this approval to be deferred? NO**

Until what date: (a date is required if deferring)

## Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

**Is there a part 2 form – NO**

## ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

### Drafting officer:

Siobhan Williams has drafted this report in accordance with GLA procedures and confirms the following:

✓

### Assistant Director/Head of Service:

Roxanne Ohene has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

### Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

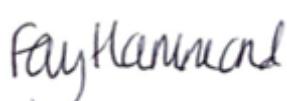
### Mayoral Delivery Board

A summary of this decision was reviewed by the Mayoral Delivery Board on 2 February 2026.

## CHIEF FINANCE OFFICER:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

### Signature



### Date

2 February 2026