

Gove holds summit with high street banks amid cladding crisis

Michael Gove has held fresh talks with Britain's biggest lenders in a bid to ease the cladding crisis that has left thousands of homeowners unable to sell their properties.

Sky News understands that the secretary of state for levelling up, housing and communities (DLUHC) met executives from lenders including Barclays, Lloyds Banking Group and Nationwide on Tuesday to discuss further steps to assist property-owners.

A Whitehall source said Mr Gove was "in listening mode", while one bank insider described the meeting as "constructive".



Image:

Mr Gove was said to have been "in listening mode"

This week's talks, which also included the trade body UK Finance, took place months after major high street banks

agreed to modify their mortgage-lending assessments of some tall buildings in order to unblock thousands of prospective property transactions.

Boris Johnson met with bank chiefs in July to discuss the implications of the [cladding crisis](#), which emerged after the Grenfell Tower tragedy in 2017, in which more than 70 people died.

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The Sunday Times reported earlier this month that Mr Gove was exploring ways to penalise companies given core participant status at the public inquiry into Grenfell.

The Mercedes Formula One team has [scrapped a commercial partnership](#) with Kingspan, the company which manufactured insulation used at the west London tower block, following a public outcry which included criticism from Mr Gove.

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Last month, the Financial Times reported that the Bank of England's prudential regulatory arm was asking banks to audit their exposure to homes that might be unsellable.

A DLUHC spokesperson said: "The levelling up secretary met with a number of lenders to discuss building safety and explore potential solutions which would drive out excessive risk aversion from the market.



Image:

The cladding crisis emerged after the Grenfell Tower tragedy in 2017

"Leaseholders are innocent parties in this.

"As the secretary of state has made clear, we are committed to

ensuring they are supported and protected and we will be setting out further proposals in due course.”

None of the financiers contacted by Sky News would comment on Wednesday.