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# Building Safety's Age of Accountability: Limitation, Liability and the Direction of Travel for 2026

#### Introduction

The <u>Building Safety Act 2022</u> (BSA) continues its transformation of the liability landscape for fire safety defects, expanding remedial powers, widening the pool of potential respondents, and embedding a model of responsibility that is as ambitious as it is administratively taxing. This update examines three interconnected developments:

- 1. The unresolved question of limitation for Building Liability Orders (BLOs);
- 2. The Court of Appeal's reinforcement of a liability hierarchy through the Remediation Contribution Order (RCO) regime; and
- 3. Forthcoming regulatory and legislative changes in 2026.

Together, these developments mark a decisive shift towards enhanced accountability and a financial "follow the money" principle that shows no sign of narrowing.

## 1. Building Liability Orders: Limitation in Uncharted Territory

#### **Statutory Framework**

Section 130 BSA permits the High Court to make a BLO attributing a "relevant liability" of one body corporate to an associated body corporate. Notably, the BSA:

- does not prescribe a limitation period for BLO applications;
- does not define when a BLO "cause of action" accrues; and
- is **silent** on procedural time bars.

Unlike sections 148 and 149 BSA, which expressly tie construction product liabilities to the <u>Limitation</u> Act 1980 (LA 1980), BLOs receive no equivalent treatment.

## **Cause of Action vs. Remedy**

Under the LA 1980, limitation generally bars the remedy, not the right. Liability continues to exist even after the expiration of a limitation period. The BSA's reference to "relevant liability" (s.130(3)) does not qualify this as "relevant liability not subject to a limitation defence".

This gives rise to two interpretations:

## Possibility A: BLOs Are Time-Barred with the Underlying Liability

If the underlying claim (e.g. DPA or negligence) is statute-barred, a BLO cannot be pursued.

#### Possibility B: BLOs Are Not Subject to Limitation

The underlying liability exists theoretically; the limitation defence is simply a factor within the Court's "just and equitable" discretion.

## **Likely Construction**

The second interpretation appears more consistent with the structure and purpose of the BSA:

- Parliament amended the LA 1980 for other BSA rights but chose not to do so for BLOs;
- The BLO regime is explicitly a remedial mechanism contingent on existing liability;
- Limitation defences can be waived, making them unsuitable as an implied jurisdictional bar.

## The Just and Equitable Test

Where the limitation has expired, the respondent will rely heavily on prejudice arising from delay. However:

- expiry of limitation is **relevant but not determinative**;
- the Court may expect specific evidence of prejudice;
- long periods (e.g. 20–30 years) were always contemplated under the DPA extensions.

The result is a regime where respondents face uncertainty but where the Court retains broad discretion to prevent unfairness.

## 2. Remediation Contribution Orders: Deep Pockets and Deeper Duties

## The Court of Appeal in Triathlon Homes LLP v SVDP & Others [2025] EWCA Civ 846

The Court of Appeal affirmed the First-tier Tribunal (<u>Property Chamber</u>)'s (**FTT**) approach to RCOs, endorsing a clear hierarchy of responsibility for remediation of historical defects. Key findings included:

- 1. Developers and landlords with means should ordinarily fund remediation before public money is used.
- 2. The Building Safety Fund is a "last resort", not a first port of call.
- 3. The availability of funding does not displace the statutory objective of assigning costs to those connected with the original development.
- 4. While avoiding the term "presumption", the Court accepted that the FTT had acted correctly in treating well-resourced developers/associates as first in line to pay.

#### Scope of "Associated Persons"

The statutory definition in s.121 BSA is intentionally wide. Associations may arise through:

· common directors:

- control relationships;
- historic ownership changes;
- · partnership structures; or
- trust arrangements.

Cases such as Helpfavour Limited & Others v (1) Rosco Ingo Limited & (2) Rosco & Perlini Limited (Lon/00BH/BSB/2024/0500) illustrate the breadth of this reach. Even companies with **no operational connection to the development** may fall within scope if governance or ownership overlaps existed during the statutory period.

## **Practical Implications**

The combined effect of Triathlon and subsequent FTT decisions is that:

- financial capacity is a substantive factor in the "just and equitable" analysis;
- SPVs offer limited insulation, as associated entities remain exposed;
- corporate transactions involving developers now require enhanced due diligence on legacy liabilities;
- contemporaneous document retention becomes mission-critical, even for projects completed decades earlier.

## 3. Building Safety Developments for 2026

## **The Building Safety Levy (England)**

Effective (anticipated) **1 October 2026**, applying to:

- major residential developments of 10+ dwellings, or
- purpose-built student accommodation of 30+ bedspaces.

A surge in building control applications is anticipated prior to implementation. A separate Scottish levy is proposed from **1 April 2027**.

### Reform of the Building Safety Regulator (BSR)

From **27 January 2026**, the BSR's Higher-Risk Building (**HRB**) functions will transfer to a new Executive Agency under the Ministry of Housing, Communities and Local Government (**MHCLG**). This follows concerns that Gateway 2 approvals were taking **43-48 weeks**, far exceeding statutory periods.

Improvements are emerging via the BSR's Innovation Unit, but sustained reform is expected.

#### **Grenfell Tower Inquiry Recommendations**

By 2029, the Government aims to implement:

- a permanent Chief Construction Adviser;
- updates to Approved Document B;
- a construction products white paper (Spring 2026);
- proposals for reform of the fire engineering profession;

• strengthened the duty holder declaration requirements for HRB works.

## **Cladding Remediation and Criminal Liability**

Proposed statutory deadlines:

- 18+ metre buildings: remediation by the end of 2029;
- 11-18 metre buildings: remediation by the end of 2031.

Failure without a "reasonable excuse" may lead to unlimited fines or imprisonment.

#### **Second Staircases and Evacuation Regulations**

- Second staircases required for buildings >18m from **30 September 2026**, unless works are "sufficiently progressed".
- The Fire Safety (Residential Evacuation Plans) Regulations 2025 come into force on 6 April 2026, requiring Personal Emergency Evacuation Plans (PEEPs) for applicable residents.

## **Forthcoming Case Law**

- **Supreme Court (2026)**: appeals in <u>Adriatic Land</u> and <u>Triathlon</u> (limited to retrospectivity of the BSA).
- Court of Appeal (2026): <a href="mailto:appeal">appeal</a> in <a href="mailto:Almacantar Centre Point Nominee No.1 Ltd and another v De Valk and Others [2025] UKUT 298 (LC)</a> on Schedule 8 BSA and service charge recoverability.
- BLO-related High Court decisions are expected to clarify the procedure and possibly the limitation.

## Key Takeaway

- 1. **BLO limitation remains unresolved**, but the statutory structure strongly suggests BLOs are not subject to traditional limitation periods.
- 2. **The hierarchy of liability is now firmly entrenched**, with developers and their associates sitting at the top.
- 3. **The pool of "associates" remains broad**, capturing corporate structures that may never have anticipated building safety exposure.
- 4. **2026 will intensify regulatory pressure**, with levies, criminal consequences, duty holder reforms, and multiple appellate decisions.
- 5. **Document retention is no longer optional** entities involved in development, however tangentially, must retain project records indefinitely.

#BuildingSafetyAct #BuildingSafety #BSA2022 #ConstructionLaw #PropertyLaw #LegalUpdate #CaseLaw #BuildingLiabilityOrders #RemediationOrders #RCOs #CorporateLiability #LimitationAct1980 #DisputeResolution #BuildingSafetyReform #BuildingSafetyLevy #FireSafety #CladdingRemediation #ConstructionIndustry #DeveloperLiability #RiskManagement #DueDiligence #BuiltEnvironment #SafetyCompliance#LegalUpdate #CaseLaw #DDAlegal

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