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National Fire
Chiefs Council

The professional voice of the
UK Fire & Rescue Service

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Submitted via email: rpdtconsultation@hmtreasury.gov.uk

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Consultation: Residential property developer tax

To Her Majesty's Treasury,

Please accept this letter as a response from the National Fire Chiefs Council (NFCC) to the consultation published on 29 April 2021 '*Residential Property Developer Tax*'.

NFCC is the professional voice of the UK fire and rescue services (FRS) and is comprised of a council of UK Chief Fire Officers. This letter was put together by NFCC's Protection Policy and Reform Unit (PPRU).

NFCC supports the intention of Government to provide reassurance to homeowners and restore confidence in the housing market through a new tax to be introduced in 2022, to raise revenue to help fund the government's vital remediation work. Disputes about who should pay the costs continue to create barriers to remediation, although it is clear this is not the only barrier which exists. The costs of building defects should not end with leaseholders, and it is right that interventions be introduced to ensure that Industry meets the costs where work does not meet the requirements of fire safety or building regulations.

NFCC holds concerns that whilst this system will help contribute to the existing remediation budget, that building standards and culture haven't changed significantly enough to ensure that the tax will not need to be extended to cover issues in buildings currently being built, and those built in the interim before the Building Safety Bill passes parliament and commences. This new tax must be considered in conjunction and with close alignment to an introduction and implementation of better building standards along with an active effort to change industry culture.

We are mindful of the pressing need to produce sufficient new homes for our communities yet there should not be a conflict between streamlined planning,

sustainability, improved building standards and fire safety. When addressing the housing crisis, quantity and quality are not mutually exclusive.

This consultation also does not appear to take into account the possible need for greater remediation than the current process is currently designed for. The current system of regulation which has resulted in many issues in residential buildings, is the same system that the rest of the built environment and other types of premises have been subject to. This may mean that more money than is currently costed is needed.

Whilst a number of the specific questions in your call for evidence are best addressed by others in the sector, we are keen to convey our concerns and expertise on the matters that pertain to fire safety.

Scope of Remediation

Government funding currently only applies to cladding, yet buildings may have other fire safety issues, such as problems with compartmentation or cavity barriers, so in some cases Government-funded cladding remediation will not remove the need for costly interim measures.

Since the ban on combustible cladding came into force, we have not witnessed the universal culture change expected and continue to see intentional 'gaming' of the system whereby buildings are deliberately designed to be just under the ban threshold.

NFCC supports Government not only in exploring all measures to make buildings safer beyond remediation of cladding but also looking at the remediation of buildings below 18m in height.

By adopting a wider approach that does not rely on simplistic height thresholds or remediation of certain types of cladding, but instead looks at buildings holistically, it is possible to find longer-term and more cost-effective solutions to building defects for Government, building owners and residents.

Sprinklers and other suppression systems can buy crucial additional time in firefighting operations and may mean that evacuations are not necessary. NFCC would like reiterate our strong support for sprinklers in all buildings regardless of height or other safety factors.

Gateway Two

Reform must be holistic to achieve culture change. The Independent Review of Building Regulations and Fire Safety found the current building regime as a 'broken system'. NFCC supports the proposed Gateway and change control processes, with the ability for the regulator to enforce a hard stop.

The new regime must avoid a two-tiered standard of safety. New rules for a narrow set of buildings will only create incentives for people to build other types of buildings within the current broken system. It is possible this will compound incentives for people to design buildings to be just short of 18m, so that they can avoid the levy; although NFCC notes that these incentives on developers already exist through various settings in the Approved Documents, and the introduction of Gateway 2 itself. It is therefore possible that those who would seek to avoid large developments for these reasons, already are. Other parties are likely to be better placed to comment on the possible additionality that the introduction of this levy would have. NFCC believes that more vulnerable groups and higher risk premises could be recognised within the Gateways process from the outset, and we would like to see the expansion of the Gateways regime over time to a wider set of buildings. Hopefully this would mean that over time, the risks of this potential impact would reduce.

The Treasury will be aware that the Bill as introduced to Parliament since this consultation was published, now extends Gateway 2 to some types of hospital and care home buildings, and so the way these settings interact with NHS estate settings may need consideration.

NFCC has been working with Government on Gateway 1 and look forward to replying to the consultation on Gateway 2 referred to within this consultation and continuing our relationship with Government working and assisting Government in ensuring the Gateway programmes deliver on its intended aims for the industry and building safety.

However, we do note that within the Gateway 2 consultation released on 21 July 2021, there are questions around the exclusion of refurbishment works. Given that the Government consulted on a policy of major refurbishments falling within the Gateway 2 process¹, we would caution Government on compromising on this detail and departing from the original policy directive. Given that refurbishments have contributed to the need for remediation, and indeed were the cause of the fire spread and tragic consequences of the Grenfell Tower fire, there is clear rationale for why refurbishment projects should contribute to the Building Safety Fund. We will be expanding upon these concerns within that consultation reply, but are happy to meet with Treasury officials to discuss our concerns if they so need.

Alternative Methods of Housing Delivery

NFCC has concern around the conversion of commercial premises to multiple residential buildings under PDR. Experience of FRSs show such conversions have contributed to the number of buildings with fire safety issues. The current direction of

¹https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/877628/A_reformed_building_safety_regulatory_system_-_gvt_response_to_the_Building_a_Safer_Future_consultation.pdf

Government policy for the extension of PDR could inadvertently lead to a further increase in buildings with fire safety issues at a time when the regulatory system is struggling to deal with those already built.

NFCC recognises that MMC has a role to play to provide much needed housing and infrastructure, but stresses that the safety of MMC needs to be considered. NFCC is concerned that MMC buildings are being designed, approved and built under a regulatory system that has been described and accepted by Government as 'not fit for purpose' even for traditional construction techniques. Additional safeguards are needed to ensure there is not an influx of potentially unsafe MMC buildings being constructed while necessary regulatory reforms are in progress.

Current testing procedures were developed around traditional products, systems, and materials and we have not seen an adequate acknowledgement of the growing use of non-traditional and non-standard products and methods within the construction industry, and whether existing testing methodologies are applicable to emerging and innovative construction techniques. This is the case not just for new builds but within extensions and retrofits including efforts to increase energy efficiency.

These comments are presented as overarching observations to the proposals as we feel others will be best placed to address specific questions in the consultation.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Dan Daly', is centered on the page. The signature is fluid and cursive.

Dan Daly

**Head of Protection Policy and Reform Unit
National Fire Chiefs Council**