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NFCC Response to Building Safety Levy Scotland

Sent to: BSLdevolutionconsultation@hmtreasury.gov.uk

The National Fire Chiefs Council (NFCC) is pleased to respond to this consultation, published on 19 January 2024, regarding the proposal to devolve powers to the Scottish Parliament to create a Building Safety Levy. We have [previously responded](#) to a levy consultation in 2021 and aware that this consultation is part of a joint effort with the UK Government and is responding to the complimentary consultation published on the 23 January.

NFCC is the professional voice of UK fire and rescue services (FRSs) and is comprised of a council of UK Chief Fire Officers. This response was created by NFCC's Strategy and Policy team and was drafted in consultation with our members across UK FRSs. Our response reflects their expertise and competence with the subject matter.

After the Grenfell Tower Fire in 2017, the UK Government started looking at ways to pay for necessary works to remedy unsafe cladding on residential buildings.

Disputes about who should pay the costs of remediation continue to create barriers to necessary building works that add safety, provide a sense of security for occupants, and protects lives. The proposals for a Scottish levy would see developers taxed to raise money for the replacement of dangerous cladding.

Consultation Questions

Q1) The UK and Scottish Governments would welcome any observations and evidence addressing the criteria set out at paragraphs 4.1 to 4.3 above. In particular, do you agree that devolving the proposed tax power would not impose a disproportionate negative impact on UK macroeconomic policy or impede the single UK market in house building?

N/A

This question is best addressed by others in the wider building sector.

Q2) Bearing in mind there is no option to extend the UK Building Safety Levy to Scotland, do you agree that the power to introduce a Building Safety Levy should be devolved to the Scottish Parliament

Yes

NFCC firmly believes the cost of remediation should not end with occupiers or taxpayers, 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.

NFFC therefore welcomes the intention of the UK and devolved Government of Scotland to provide reassurance to homeowners and restore confidence in the housing market through this Building Levy.

However, NFCC holds concerns that whilst this system will help contribute to the existing remediation budget, building standards and culture haven't changed significantly enough. When being implemented at the local level, this levy 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.

Additionally, while the proposed devolved levy is intended to prevent the brunt of the cost of building defects being borne by leaseholders, it is clear that developers will inevitably pass these costs onto leaseholders in the price of new homes. 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, affordability, sustainability, improved building standards, and fire safety. When addressing the housing crisis, quantity and quality are not mutually exclusive.

The UK Government aims to raise £3billion through the levy to cover remediation costs in England which it anticipates will take around a decade. The proposals are out for consultation and there is no indication when developers will have to start paying the rates.

Refurbishment

NFCC welcomes the Government's decision to apply the levy to conversions/where buildings are converted into residential use but does not agree that major developer-funded refurbishments should be excluded from the levy. We would caution the Government on compromising on this detail and departing from their policy directive as laid out in previous consultations and documents. Given refurbishments contribute to the need for remediation, it should also help pay for it.

As well as including refurbishments in the levy, NFCC has repeatedly asked for a change of use or major refurbishment to trigger a cost/benefit analysis of reasonable

life safety improvements balanced against the value of the building works in question. This could be applied to the entire built environment, to help gradually improve safety across building stock over time.

The Government's current policy directive around decreasing the impact of stored carbon within the built environment could lead to an increase in major refurbishments which will add to housing stocks along with new builds. These refurbishments must be held to the same fiscal accountabilities as new builds. NFCC would also highlight that refurbishments can bring a higher degree of complexity and risk to a project as they must interface with buildings already in use and where different materials and standards of construction have been used.

There are also issues around liability, especially where developers open subsidiary companies or special purpose vehicles to be responsible for new development or refurbishment. Such companies can then be closed after completion of a project and the parent company rarely has any ongoing legal liability for the premises or remediation. Including major refurbishments within the levy could address some of these liability issues through the need to pay in through the gateway process.

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. Therefore, Government-funded cladding remediation will not always remove the need for costly interim measures.

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 to reiterate our strong support for sprinklers in all buildings regardless of height or other safety factors.

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