

PARTIAL BUSINESS AND REGULATORY IMPACT ASSESSMENT

Scottish Building Regulations: Proposed review of fire safety topics including Cameron House Hotel recommendations

BUILDING STANDARDS DIVISION

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Contents

1.	TITLE OF PROPOSAL 1			
2.	PURPOSE AND INTENDED EFFECT1			
2	.1 Ba	ackground	. 1	
2	.2 Oł	ojective	3	
2	.3 Ra	ationale for Government intervention	3	
	2.3.1	Introduction	3	
	2.3.2	Cameron House Hotel Fire, 18 December 2017	4	
	2.3.3	Building Standard 2.15	4	
	2.3.4	Technical Handbook guidance	4	
3.	CONS	ULTATION	5	
3	.1 W	ithin Government	5	
3	.2 Pu	Iblic Consultation	6	
3	.3 Bu	isiness	6	
4.	OPTIC	NS	7	
4	.1 Se	ectors and groups affected	7	
4	.2 Be	enefits	8	
	4.2.1	Option 1 – Do nothing	8	
	4.2.2			
	Techni	cal Handbook (TH) guidance	8	
4	.3 Co	osts		
	4.3.1	1 5	9	
	4.3.2	· · · · · · · · · · · · · · · · · · ·		
	0	ce		
5.		atory and EU Alignment Impacts		
-		ra-UK Trade and International Trade		
-				
6.		TISH FIRMS IMPACT TEST		
7.		ETITION ASSESSMENT		
8.				
9.	-	RUN OF BUSINESS FORMS		
10.				
11.				
12.		ORCEMENT, SANCTIONS AND MONITORING		
13.		_EMENTATION AND DELIVERY PLAN		
		Dissemination		
		Post-implementation review		
14.	CI IN	IMARY AND RECOMMENDATIONS	13	
15.		LARATION AND PUBLICATION		

Partial Business and Regulatory Impact Assessment

1. TITLE OF PROPOSAL

Scottish Building Regulations: Proposed review of fire safety topics including Cameron House Hotel recommendations.

2. PURPOSE AND INTENDED EFFECT

2.1 Background

On 18 December 2017 the Scottish Fire and Rescue Service (SFRS) were called to a building fire at Cameron House Hotel. Two people, Simon Midgley and Richard Dyson, lost their lives in the fire due to exposure to smoke and fire gases.

A joint fire investigation took place between SFRS and Police Scotland. The investigation report on the incident was submitted to the Crown Office and Procurator Fiscal Service's Health and Safety Investigation Unit on 31 October 2019.

An independent Crown Office review concluded that a FAI should be held into the deaths. The <u>FAI determination</u> reported on 11 January 2023. The report confirmed how the fire started, spread and resulted in loss of life. Six recommendations were provided, two directed at the Scottish Government.

- **Recommendation 4**: The Scottish Government should consider introducing for future conversions of historic buildings to be used as hotel accommodation a requirement to have active fire suppression systems installed.
- **Recommendation 5**: The Scottish Government should constitute an expert working group to more fully explore the special risks which existing hotels and similar premises may pose through the presence of hidden cavities or voids, varying standards of workmanships, age, and the variance from current standards and to consider revising the guidance provided by the Scottish Government and others

The Scottish Government established the short life working group (SLWG) as a forum to consider the recommendations from the FAI. This reported to the <u>Ministerial Working Group on Building and Fire Safety</u>. It brought together those parties directly referenced within the FAI report by Sheriff McCartney, namely, Scottish Government, Scottish Tourism Alliance (STA), UK Hospitality Scotland (UKHS) and the Scottish Fire and Rescue Service (SFRS) amongst others.

Following meetings of the group throughout 2023, a <u>final SLWG report</u> was published on 2 October 2023 outlining actions to be taken against each recommendation in the FAI.

As short term measures the Scottish Government amended the guidance in the Building Standards Technical Handbooks (clause 2.0.7) to strengthen key messages on the challenges faced when converting traditional buildings and to promote the use of automatic fire suppression systems for historic building conversions to hotels. We amended the Section 34 letter to Local Authority Chief Executives under the Building (Scotland) Act 2003 (Section 34 - Reports and Information - Notification of Application for Building Warrant - Section 2 – Fire) to require that a verifier must notify the Scottish Government where future conversions of historic buildings are to be used as hotel accommodation. We have worked with partners including industry to promote key fire safety messages around the dangers of historic construction techniques, materials and fire spread in hidden voids.

The Building and Fire Safety Expert Working Group has been created to look at the long-term commitments outlined within the Cameron House Hotel Short Life Working Group Report and to review other aspects of Scottish Building Standards and fire safety guidance.

The Panel comprises representation from academia, industry experts, professional institutions, local authority building standards, Scottish Fire and Rescue Service and officials from the Scottish Government, the UK Government, Welsh Government and Northern Ireland Executive. The expert review group have met on three occasions. Public consultation will take place over the Winter of 2024/25 and proposals will be finalised in Spring/Summer 2025.

Information on both review groups, including notes of meetings held are published at <u>Building and Fire Safety: Ministerial Working Group - gov.scot</u>.

Scottish building regulations set national mandatory building standards for the health, safety, welfare and convenience of persons in and around buildings, furthering the conservation of fuel and power and furthering the achievement of sustainable development. These building standards are supported by guidance contained in the building standards Technical Handbooks. The building regulations apply to new buildings and to buildings being converted, altered or extended. Scottish building regulations are devolved to the Scottish Parliament, therefore there is no alternative framework in place which deals with Scottish building regulations and mandatory building standards.

Building standards are expressed in functional terms and do not dictate the methods that should be used to achieve the requirements. The choice of how to comply with the standards lies with building owners and for this purpose Scottish Ministers issue Technical Handbooks containing practical guidance on how the requirements of the building standards may be met. The guidance

may be relied upon in any proceedings as tending to negative liability for an alleged contravention of the building regulations. This does not, however, preclude the use of alternative approaches provided the designer can satisfy the local authority verifier that the requirements of the building standards will be fulfilled in the completed building.

2.2 Objective

Buildings have significant implications for health, safety, the environment and our communities. Through the appropriate application of minimum building standards, set by regulations, the design and construction of Scotland's built environment can benefit all owners, user and people in and around our buildings.

This Business and Regulatory Impact Assessment (BRIA) forms part of a building regulations review, specifically amendments to building standard 2.15, Regulation 8 and the supporting guidance within both Domestic and Non-Domestic Building Standards Technical Handbooks (TH).

The principle aims and objectives of the proposals support the Government's strategic objectives of a healthier and safer Scotland. This is done through the principles of better regulation by:

- two options have been developed to further strengthen the guidance relating to traditional buildings converted to hotel use and the case for mandating suppression when traditional buildings are converted to hotels.
- consider banning combustible cladding panels to hotels, boarding houses and hostels;
- amending building standard 2.15 relating to suppression for alterations, extension and conversions of building in scope;
- reviewing miscellaneous fire safety matters to strengthen/provide additional guidance.

2.3 Rationale for Government intervention

2.3.1 Introduction

The Scottish Government has set out an ambitious programme of work in 'Programme for Government 2024-2025: Serving Scotland'.

The Government has already implemented actions recommended by the Short Life Working Group established following the tragic fire at the Cameron House Hotel. This review will further strengthen and enhance key aspects of the Scottish Building Standards system in relation to traditional buildings being converted for hotel use and including tighter restrictions on the use of combustible cladding to hotels, boarding houses and hostels.

2.3.2 Cameron House Hotel Fire, 18 December 2017

The tragic fire that occurred on 18 December 2017 at the Cameron House Hotel, killing 2 people has provided the driver for Government intervention. The fatal accident inquiry has been concluded and all findings released, amongst these matters are risks associated with converting traditional building to hotel use, including the role of fire suppression.

This review, therefore, considers the fitness of building standards and associated Technical Handbook guidance, together with wider existing buildings guidance related to Fire (Scotland) Act 2005 and Historic Environment Scotland publications in relation to traditional buildings converted for hotel use.

The various threads of the work stream tie into the objectives of the National Performance Framework, in particular that people in Scotland live in "communities that are inclusive, empowered, resilient and safe". There is a need to ensure that not only do people feel safe in buildings and places of work or leisure but they actually are as safe as possible from the risk of fire. The revisions will provide the mechanism to reduce the risk of fire and, where a fire does occur, there are measures in place to restrict the growth of fire and smoke to enable the occupants to escape safely and fire fighters to deal with fire safely and effectively.

2.3.3 Building Standard 2.15

The fire safety expert working group were of the view to consult on the changes to mandate suppression for conversions of historic buildings to be used as hotel accommodation and, separately, the scope of application of that standard to smaller works (alterations, extensions and conversions).

2.3.4 Technical Handbook guidance

Additionally, as identified in section 2.1 (background), mandatory standards are supported by guidance contained in the Technical Handbooks (TH). Following solutions offered in the guidance is the most common route to compliance. Changing guidance can therefore have a significant impact on solutions applied. The rationale for Government intervention in respect of each topic is identified below.

Technical Handbook guidance supporting clause 2.0.7 Alternative approaches

The consultation and subsequent Spring 2025 expert working group meeting will determine if the proposed additional guidance on existing and traditional buildings, specifically when considering the risks associated with such buildings and in converting to hotel use, is considered fit for purpose in response to recommendations 4 and 5.

Technical Handbook guidance – the use of fire engineering
 The Technical Handbooks contain guidance on one or more means of
 complying with the requirements of the mandatory building standards.
 Alternative means of showing that compliance with any or all applicable
 building standards may also be adopted by the building warrant applicant
 or their duly authorised agent. It is for the applicant or their agent to
 provide evidence to the verifier that the requirements of the standard(s)
 will be met by the alternative method.

Although most practitioners are aware that the Technical Handbooks contain guidance, in practice the guidance can be viewed as "the requirements" by parties involved. This approach can and does lead to misunderstandings and unnecessary delays in the approval of building warrants when an alternative route to compliance is followed. Although this is true of all sections of the Technical Handbooks it is particularly relevant in respect of Section 2: Fire.

The consultation includes comment, within the proposals, on fire engineering designs in relation to converting traditional buildings to hotel use as a viable approach to safe design. Outcomes will be considered by the review panel in Spring 2025 and building regulations and/or mandatory standards and Technical Handbooks supporting guidance will be updated accordingly following decisions.

3. CONSULTATION

3.1 Within Government

The target areas contained in the consultation proposals were examined and developed by the expert working group. Considering the focus of the review is on the risks associated with traditional buildings and suppression and technically complex, there was no need to consult other policy areas within Government during the development of drafting technical proposals. The following Directorates were kept informed of review progress and will be given the opportunity to comment during the consultation phase:

- Directorate for Safer Communities Fire and Rescue Unit; and
- Directorate for Health and Social Care Safer Communities Division

3.2 Public Consultation

A consultation will be opened on 13 December 2024 and will close on 7 March 2025.

The full consultation package will be published in different accessible formats on the Scottish Government website. The consultation will cover six main areas:

- considers introducing for future conversions of historic buildings to be used as hotel accommodation a requirement to have active fire suppression systems installed;
- considers the special risks which existing hotels and similar premises may pose through the presence of hidden cavities or voids, varying standards of workmanships, age, and the variance from current standards and if revising the guidance provided by the Scottish Government and others is needed;
- the application of mandatory building standard 2.15 Automatic Fire Suppression Systems to alterations, extensions and conversions of buildings within scope of the standard;
- mandating of non-combustible external wall cladding systems in new build hotels, boarding houses and hostels over 11 m in height;
- miscellaneous fire safety issues; and
- a call for evidence on three further topics.

This consultation will seek views and opinions on options together with comments on draft standards or guidance developed in conjunction with the expert working group.

Building Standards Division will also consult with groups that can represent the views and confirm whether there are likely to be any impacts on vulnerable groups e.g. housing associations, poverty alliance, shelter, members of the Tenants and Residents Association etc.

This partial BRIA will be updated with the public consultation results, any related and subsequent developments to the proposal and any impact on the decision being taken from these results.

3.3 Business

The main public consultation will be used to engage with businesses that have a potential to be impacted by the proposals including the Federation of Small Businesses. Expected participants of the consultation will be wide ranging with the awareness of the following groups being promoted through participation of representatives on the Fire Safety expert working group 2024 from academia, professional institutions architectural practices, house builders, fire engineering practices, building contractors, product manufacturers, local authority building standards, consultancy and the Scottish Fire and Rescue Service. The following consultation question will form the main part of the Scottish Firms Impact test;

"To help us determine the impact of the policies proposed in the consultation, we are interested to find out if these proposals would lead to increased costs and/or impact on resources for you or your business (if applicable).

Any comments received will be used to inform the final BRIA which would be prepared in support of any new or amended building regulations.

Question 28: Do you think that any of the proposals in this consultation have any financial, regulatory or resource implications for you and/or your business (if applicable)? Choose from the following options:

Yes *□* No *□* Unsure *□*

Please select only one answer and provide any comments in the boxes below. If selecting yes, please specify which of the proposals you refer to and why you believe financial, regulatory or resource implications will be impacted."

4. OPTIONS

In considering how best to address the range of objectives identified in clause 2.2 above, two possible options were identified:

- Option 1 do nothing;
- Option 2 amend standard 2.15 and / or relevant regulations and guidance contained in the Technical Handbooks

4.1 Sectors and groups affected

Sectors and groups affected include:

- Building users people living in or using the building should benefit from a safer building environment arising from proposed changes and not be subject to loss of amenity and facilities as a consequence of the take up of the revised and improved technical guidance.
- Building designers/constructors All those involved with building design and construction would have to familiarise themselves with the new/amended standards and guidance through training, etc.
- Building procurement Persons or companies procuring new buildings or building work may incur additional costs. This will be explored further

during the consultation exercise with a specific question (28) relating to impacts on business.

- Verification Local authority verifiers would have to train staff in relevant areas of the building standards and associated guidance where the scope has been extended or revised.
- Product manufacturers Companies manufacturing or supplying materials would require to ensure their products comply with relevant Standards. It is anticipated that financial impacts will be informed during the consultation exercise with a specific question (28) relating to financial or resource impacts on business.

4.2 Benefits

All of the topics involved in the review relate to changes or clarification to the existing mandatory standards and supporting guidance. Therefore it is likely that a single option would be appropriate for all subjects. When assessing the effectiveness of the two options to achieve the desired outcomes indicated in paragraph 2.3, the following observations are made:

4.2.1 Option 1 – Do nothing

This option offers no benefits. There would be no improvement or other gained to building regulations. No improvements would be developed for constructed building to ensure the safety of the building's occupants in the event of a fire. This option does not address any of the issues of concern identified. It which would not improve safety in affected buildings and may lead to criticism of government policy on fire safety for building users post Cameron House. No implementation and delivery plan required as there is no change and therefore no delivery.

4.2.2 Option 2 – Amend Mandatory Standards/regulations and supporting Technical Handbook (TH) guidance

The principal benefit of option 2 is that, by amendment to existing mandatory standards/regulations and supporting guidance, all the measures will be applied through the existing or amended building standards/regulations, applied by building owners and developers through the building warrant process and monitoring and enforced by local authorities.

Amending Standard 2.15, Regulation 8 and Technical Handbook guidance by:

• Reduce the possibility of rapid spread of fire in traditional buildings converted to hotel accommodation.

- Improve the awareness and appropriate consideration given by designers, contractors and verifiers to fire risks associated with existing traditional buildings.
- Reducing the permissible combustibility of external wall cladding systems to hotels, boarding houses and hostels.
- Provide enhanced safety to firefighters tackling a fire within a traditional building converted to hotel accommodation.
- Improve general building fire safety (on miscellaneous matters).

4.3 Costs

Costs will be fully reviewed and completed when policy options are decided post public consultation and the next Spring Fire Safety expert working group meeting. The current cost implications are understood as indicated in this section but will be ratified or amended once the direction of policies are known.

Mandatory suppression to traditional buildings converted to hotel use – Research has been undertaken to assist in understanding the costs associated with this policy - '*Cost benefit analysis for AFSS to be installed when traditional buildings are converted to hotels*'. Islands communities impact assessment will help identify any significantly different cost impacts or implications to other communities.

Technical Handbook guidance – Proposals from the consultation questionnaire are currently unknowns and this will require to be established when policy direction is clearer and any possible cost implications calculated.

Amendment to standard 2.15 and/or regulations – The research above for hotels and the following research for flats, maisonettes and social housing have been undertaken to assist in understanding the costs associated with these two separate policies - <u>Cost Benefit Analysis to Inform</u> <u>Decision Making Process for Limitations to Standard 2.15 Automatic Fire</u> <u>Suppression Systems – Alterations, Extensions and Conversions</u>

4.3.1 Option 1 – Do nothing

Stakeholders would not have the additional robustness of increased fire safety in buildings. It will likely be unacceptable following the recommendations of the fire safety expert working group and recommendations from the Cameron House Fatal Accident Inquiry. There is the potential for reputational damage to Government for inaction to raise fire safety standards for traditional buildings converted to hotel use and other wider fire safety matters.

4.3.2 Option 2 – Amend Standards/Regulations and Technical Handbook guidance

 Amended standards/regulations provision to address fire safety concerns relating to traditional buildings converted to hotel use, the use of combustible cladding to hotels, boarding houses and hostels and other general building fire safety issues.

Enhancing fire safety measures and/ or reducing the permissible combustibility of external wall cladding systems to hotel buildings and traditional building converted to hotel use, and improved guidance will:

- Reduce the potential for loss of life and interruption to business continuity due to potentially ignorant design, construction and verification.
- Potentially increase costs for developers, owners, businesses and Island communities due to installation and ongoing maintenance costs.
- Reduce the potential for fire spread internally and on façades of hotel buildings and, therefore, reduce potential cost to society of injury and death to occupants and firefighters. In addition, the cost of firefighting operations will be reduced, along with environmental costs, both locally due to, for example, firefighting water wash off and globally due to products of the combustion process, for example carbon monoxide, entering the atmosphere.
- By updating and clarifying miscellaneous fire safety guidance contained within the handbooks, reduce any uncertainty and therefore limiting the associated costs, due to inconsistency or misunderstandings.

5. Regulatory and EU Alignment Impacts

5.1 Intra-UK Trade and International Trade

An assessment has begun on the impact of these proposals to international trade and also in respect of trade within the UK. The measures proposed relate to the function or performance of construction work. They do not prescribe measures which:

- have the potential to affect imports or exports of a specific good or service, or groups of goods or services;
- affect trade flows with one or more countries; or
- include different requirements for domestic and foreign businesses.

At present, the proposals do not define technical regulations or conformity assessment procedures for which a relevant standard does not exist.

Accordingly, proposals do not require a submission of a Technical Barrier to Trade notification to the World Trade Organisation.

5.2 EU Alignment

The subject of this review has indirect relevance in regard to impact on the Scottish government's policy to maintain alignment with the EU.

Fire safety standards set though building regulations include the citation of harmonised European standards on topics such as product performance and testing. Citation of such material is made under the current UK construction products regime. That regime remains principally unchanged at this time, with the UK government recently revoking planned changes to recognition of the EU CE marking of construction products. The implications of further changes to UK legislation will be monitored as this review continues.

6. SCOTTISH FIRMS IMPACT TEST

Initial engagement on impact formed part of the discussions within the short life working group which included hotel and tourism interests. This noted that concerns arose mainly from mainly from smaller hotels, B&B and Short-term Lets interests, not from the larger operators within UK Hospitality.

No current actions undertaken re: face to face meetings. Impacts will be informed from the consultation exercise with a specific question (28) relating to impacts on business. Face to face meetings with firms will be carried out during the consultation phase.

7. COMPETITION ASSESSMENT

As the changes will form part of national building regulations they will be implemented uniformly throughout the country. It is not envisaged that any of the aspects identified in clauses 2.3.3 and 2.3.4 of this assessment will impact on competition between companies.

Having reviewed the five competition questions provided within the Competition and Market Authority guidelines for policy makers on competition assessment, we are satisfied that the changes to the building standard and Technical Handbook guidance will not impact on competition within the market place.

This will be further informed from the consultation exercise with a specific question (28) relating to impacts on business.

8. CONSUMER ASSESSMENT

Certain aspects of the proposals may have an adverse impact on consumers as they may result in increased build costs, which the developer will, in all likelihood, pass some or all on to the purchaser or tenant/leaser of the building.

With regard to traditional buildings converted to hotel use, the actual amount of additional costs is dependent on many factors, such as the specification of products used and the size, complexity, height, nature and historic value of the building.

As discussed above, there are many factors affecting the cost, but £300 per installed head was adopted for the associated research as the average cost. On-going maintenance costs are greater for commercial systems than residential systems as they require quarterly inspections and annual pump servicing and are into £000s, for example £2,400 used within the associated research, relating to larger hotels.

9. TEST RUN OF BUSINESS FORMS

No new forms will be introduced as a result of this policy.

10. DIGITAL IMPACT TEST

The building standards system in Scotland is a functional based system. That is to say that there are high level building standards that must be met, with Technical Handbooks supporting these standards with guidance on one or more ways of achieving compliance with the standards. However, there is no requirement to follow the guidance in the Technical Handbooks and alternative means of complying may be adopted by the building warrant applicant or their duly authorised agent.

It is not considered that there will be any intended or unintended consequences from technological advances.

11. LEGAL AID IMPACT TEST

It is not envisaged that there will be any greater demands placed on the legal system by this proposal. Accordingly, it is not considered that there will be any effect on individuals' rights of access to justice through availability of legal aid or possible expenditure from the legal aid fund.

12. ENFORCEMENT, SANCTIONS AND MONITORING

The changes will form part of an amendment(s) to the Building (Scotland) Regulations 2004 and the supporting Scottish Building Standards Technical Handbooks. All matters relating to enforcement, sanctions and monitoring will be carried out under the existing processes that form part of the building standards system in Scotland, as set out under the Building (Scotland) Act 2003 (the Act). Parties responsible for operation of this system are the 32 Scottish local authorities, appointed as verifiers under the Act and the Building Standards Division of the Scottish Government.

Generally, work subject to the Building (Scotland) Regulations 2004 requires to be the subject of a building warrant before work commences and to have a completion certificate accepted once works are complete. Exclusions are set out under Schedule 3 to Regulations 5 of the Building (Scotland) Regulations 2004.

Where a building warrant is required, proposals are subject to the scrutiny of verifiers who have enforcement powers under the Act to ensure compliance with the Building (Scotland) Regulations 2004.

13. IMPLEMENTATION AND DELIVERY PLAN

13.1 Dissemination

In general, it is anticipated that the changes will be "absorbed" as part of the overall Building Standards system. This will involve written notifications to local authority verifiers, posts on the Scottish Government Building Standards website and social media to highlight the changes. Dissemination events will also be organised by the Building Standards Division (BSD).

13.2 Post-implementation review

A review will be carried out by the BSD considering the implementation of the change made to building standards legislation and supporting Technical Handbook guidance. This review will monitor the effectiveness of the changes and ensure that subsequent reviews can be made on an informed basis. This will be done on a regular basis through usual contacts with bodies representing trades, designers, verifiers and the industry in general. The implemented changes will be subject to a review within a ten year period.

14. SUMMARY AND RECOMMENDATIONS

Summary of the consultation results and also subsequent decisions by the Scottish Government via the Fire Safety Expert Working Group will inform any recommendations in Spring 2025.

Summary costs and benefits table

Option	Total benefit per	Total cost per annum:
	annum: -	- economic,
	economic,	environmental, social
		- policy and
	environmental, social	administrative
1 Do nothing		
1 – Do nothing	[To be completed when	[To be completed when
	policy direction	policy direction
	confirmed]	confirmed]
	No benefits, other than	No cost implications for
	no additional costs to	those involved in the
	developers and procurers	design or procurement of
	of affected buildings.	affected buildings.
		J
2 – Amend building	[To be completed when	[To be completed when
standard 2.15 and	policy direction	policy direction
improve relevant	confirmed]	confirmed]
guidance to existing		
standards within the	Overall the proposals will	
Technical Handbooks	improve the safety of	
	occupiers of the affected	
	buildings in the unlikely	
	event of a fire in a	
	building getting out of	
	control.	
	From an environmental	
	perspective, any	
	improved fire safety	
	requirements will reduce	
	the impact of fire	
	incidents spreading	
	internally and on the	
	outer façade of buildings.	

15. DECLARATION AND PUBLICATION

I have read the partial Business and Regulatory Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options. I am satisfied that business impact will be assessed with the support of businesses in Scotland.

Signed:

Paul McLennan

Minister for Housing Scottish Government

Date:

Scottish Government Contact point:

Scott Young, Building Standards Division Email: <u>scott.young@gov.scot</u>