04 December 2019

Sent by email to LocalGovernmentandCommunities@parliament.scot

COMMITTEE ABOUT BUILDING REGULATIONS AND FIRE SAFETY: RICS FOLLOW-UP RESPONSE

We refer to your email dated 28 November 2019 and write to thank you again for the opportunity to provide evidence at the Scottish Parliament on this highly important issue. We can also provide further information on the points that I proposed to discuss at RICS following the session. These are as follows:

1. **RICS’s views on whether the Cole report recommendation that building standards officers should check not just the design of the building but what is actually being built has led to changes on the ground (col. 40 of the Official Report).**

Following the Cole Report, various changes were made to the Procedural Handbook, including the development of the Construction Compliance Notification Plan (CCNP), which is the key process for addressing the avoidance of compliance during construction stage.

This aim of the Verifier issuing a CCNP is to highlight the site inspections that will be made, and make it clearer to the Relevant Person that they should employ the correct competency of site staff to ensure compliance is achieved, which is, and should remain, the responsibility of the Relevant Person.

To use cladding as an example, the CCNP should highlight the need for a verification inspection in relation to firestopping and confirmation of the type of cladding. The Verifier would not inspect every section of fire-stopping, but would sample check to ensure the product and installation is correct.

Through the CCNP, the Verifier will also ensure that they have the correct competency of staff assigned to the development, based upon the risks identified. Therefore, the recommendations of the Cole Report in this respect have been translated into tangible improvements.

2. **RICS’s views on why any homes building after the passing of the Building (Forms) (Scotland) regulations are apparently being surveyed as a potential fire risk, and “zero valued” (col. 45).**

As we understand the above regulation, it covers the various forms required in connection with a Building Warrant; the contents of the forms and how they are to be set out to provide consistency across the 32 Local Authorities. The applicable forms in the context of this question are the Completion Certificate Submission (CCS) Form, and the Approved Certifier Form.

The CCS is filled out by the Relevant Person to confirm that in their opinion the works are complete in accordance with the Regulations. Due to the workmanship and site supervision issues discussed at the
committee meeting, this is not always the case. Regardless, the CCS process will still have allowed buildings under the 18m trigger height to be constructed with combustible cladding (up until the reduction to 11m) because this was permitted by regulations at that time.

Approved Certifiers can provide certification paperwork to the Verifier confirming that certain building elements comply with the Building (Scotland) Regulations 2004, for example structural design (through the Structural Engineers Registration (SER) scheme), and electrical installation (through the SELECT scheme). There is currently no Approved Certifier scheme for cladding or fire safety. The valuer therefore may have no paperwork to rely on which certifies the combustibility of the cladding or fire safety of the building and until such is produced, a ‘zero value’ is applied to the property by the lender. Our form EWS1 – a draft of which we provided to the LGCC in November - is intended to provide a measure of certification that a valuer can rely on.

To summarise, although buildings have been passed as compliant with the Building Regulations across the UK, it is now known that combustible materials may exist in certain circumstances which require removal. The value of properties where this is either likely or certain will reflect this, as the cost of remediation is high and marketability is a key consideration in the assessment of a property’s value.

Therefore, in certain circumstances it’s not unreasonable to assume that any appetite to buy tall residential buildings will diminish due to the uncertainty over risk. It’s important to recognise that valuers are not saying units are worthless, and that the ‘zero value’ is a long-established mechanism to prevent lending where further information is needed to make an assessment of value and suitability for mortgage purposes.

3. RICS’s understanding of when the draft EWS 1 external wall fire review form will be completed (col. 48).

At this time, we do not have a definitive date and agreement on such is fluid. We will inform you and Committee as soon as the release date has been agreed with all stakeholders.

Yours sincerely,

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RICS