Local Government, Housing and Planning Committee Tuesday 10 December 2024 34th Meeting, 2024 (Session 6)

Cladding Remediation programme

Introduction

- 1. The purpose of this paper is to provide information to inform the Committee's session with the Minister for Housing on the Scottish Government's cladding remediation programme.
- 2. The Committee will take evidence from:
- Paul McLennan, Minister for Housing;
- Stephen Lea-Ross, Director, Cladding Remediation, Scottish Government

Background

- 3. Since 2017 and the Grenfell Tower fire this Committee and its predecessor Committee have closely followed the Scottish Government's progress in identifying and remediating risks to life posed by potentially flammable building cladding systems.
- 4. At the Annex to this paper is a briefing from SPICe detailing the work that has been undertaken since 2017.
- 5. This session arises out of the <u>Committee's Tracker Report for 2023-24</u>. In that report the Committee expressed concern about progress by the Scottish Government in its cladding remediation programme. The Committee concluded:

"As it stands, however, progress in relation to remediation is unsatisfactory. As the Committee noted at the start of this section of the report, it is now seven years since the Grenfell Tower fire yet only five buildings in the pilot programme have begun remediation, there is still not an agreed model for assessment and there is no complete picture of the number of buildings across Scotland that need to be assessed. This is without even considering whether there is the necessary workforce and funds to deliver on this programme of remediation or whether dealing with the cladding issues alone will actually respond to the issues faced by people living in affected buildings." 6. Moreover, the Committee went on to say:

"Progress must be swifter. The Committee will be applying close scrutiny to the Scottish Government's actions on cladding remediation and would welcome an opportunity to question the Minister for Housing further on this issue as soon as possible."

- 7. This session follows-up on the conclusions of that report. Specifically, the Committee will explore with the Minister the following themes:
 - Progress on the single building assessment programme
 - The impact of the Housing (Cladding Remediation) Act on the cladding remediation programme
 - The capacity of the workforce to undertake single building assessments
 - The technical specifications for the single building assessment
 - The cladding assurance register
 - The Scottish Safer Buildings Accord
 - Funding for the cladding remediation programme
 - Comparison with progress in England
 - Timescales for the completion of the cladding remediation programme
 - Communication with residents in blocks affected by potentially flammable cladding systems

Conclusion

8. The Committee is invited to consider the information above and in the SPICe briefing at the Annex to this paper in its evidence session with the Minister for Housing.

Committee clerks, December 2024

Annex

SPICe The Information Centre An t-Ionad Fiosrachaidh

Cladding Remediation

Introduction

This paper provides background information to inform the cladding remediation session with Paul McLennan MSP, Minister for Housing.

Background

The following section provides a brief overview of key actions taken by the Scottish Government to tackle the issue of potentially flammable cladding systems on high rise flats since the Grenfell Tower fire in June 2017.

Before going into any detail about these actions, it is important to understand how the ownership and tenure of multi-occupancy buildings in Scotland can complicate survey and remediation work.

In England and Wales, a "freeholder", the owner of the block - with flats leased to tenants on very long leases, is typically responsible for the management of fire safety, such as undertaking fire risk assessments and keeping communal areas free of obstructions. Freeholders are required to undertake these duties in line with regulatory and legislative requirements.

There is no Scottish equivalent of a freeholder. Generally, in Scotland each flat within a block is owned separately with no single "responsible person" legally obliged to carry out regular building-wide fire risk assessments. There are legal duties which apply to the common parts of blocks of flats in Scotland, but no requirement to carry out fire risk assessments.

The Scottish system means that building-wide surveys and possible remediation work typically require the agreement of all flat owners, rather than that of a single freeholder. Situations where such agreement cannot be reached were addressed by the Housing (Cladding Remediation) (Scotland) Act 2024, as outlined later in this paper.

Ministerial Working Group on Building and Fire Safety: Established in June 2017 in the immediate aftermath of the Grenfell Tower fire, <u>this stakeholder group</u> has overseen reviews of building standards and fire safety frameworks, regulations and guidance. Key outputs include:

- the introduction of a statutory requirement for smoke and heat alarms to be fitted in all homes.
- changes to fire safety related Building Standards for high-rise buildings that were agreed by the Scottish Parliament in 2022 and are now in force.
- revised procedural guidance for building standards officers.
- the establishment of several long-term groups/boards to consider building and fire safety issues.

Inventory of High-Rise Buildings: The Ministerial working group quickly established that there was no central source of standard information on Scotland's high-rise domestic buildings, which hindered any national assessment of what action needed to be taken to rectify potential fire safety defects and the likely costs. The Scottish Government commissioned consultants to develop a High-Rise Inventory (HRI), a summary of was <u>published in November 2021</u>. This reports that there are 780 high-rise buildings in Scotland (buildings with a storey height of 18 metres or more above ground), which are spread across 15 local authorities – although 49% are found in Glasgow. In total, there are 46,616 flats within these high-rise buildings. 38 buildings are clad in Aluminium Composite Cladding (ACM), 23 of which are clad in the highest risk "Category 3" panels.

It is worth noting that since the inventory was completed, the height of building on which potentially flammable cladding is considered to be unsafe has been reduced by both the UK and Scottish Governments from 18 metres (roughly six storeys plus) to 11 metres (roughly four storeys plus).

Zero valued homes and EWS1: The issue of "zero valued homes" first arose in December 2018 when the UK Ministry for Housing, Communities and Local Government issued an advice note to anyone responsible for, or advising on, the fire safety of potentially combustible external wall systems on high rise residential buildings. The introduction of this advice, since superseded by <u>Scotland-specific advice</u> issued in August 2021 and updated in December 2022, has led to some mortgage lenders refusing to provide loans for the purchase of flats in high rise buildings unless there is proof that they meet the requirements set out in the advice note. Where such proof is not available, surveyors could value such properties at £0 for lending purposes. This obviously has implications for homeowners, those wishing to buy and the operation of the wider housing market.

It quickly became apparent after the publication of the first advice note that there was no standard process for assessing the fire safety of existing high-rise properties that would satisfy the needs of homeowners and financial institutions. The Royal Incorporation of Chartered Surveyors (RICS), working with the Building Societies Association (BSA), and UK Finance then developed an industry-wide valuation process aimed at resolving this issue (known as EWS1).

It is important to note that the EWS1 system is not a statutory requirement. It was created to standardise fire safety assessments for buildings with external wall

cladding systems to allow financial institutions to make decisions on mortgages and insurance cover.

Ministerial Working Group on Mortgage Lending and Cladding: Established by Scottish Ministers in 2020, <u>this working group</u> investigated possible solutions to the issue of zero-valued homes. Reporting in early 2021, the group's key recommendation was the eventual replacement of the EWS1 with a Scottish Government backed Single Building Assessment.

Single Building Assessment: The Scottish Government announced the establishment of a pilot <u>Single Building Assessment programme</u> in March 2021. The aim being to develop a system of publicly funded fire safety assessments for all affected buildings, paving the way for remediation work on buildings found to have unsafe cladding systems – a process now referred to as the Cladding Remediation Programme.

<u>Scottish Government figures</u>, updated in November 2024, show that 107 buildings are currently part of the Single Building Assessment pilot programme. When asked for a progress update in the Chamber on 12 September 2024 the Minister advised that "Pilot assessments have been undertaken for 30 of the pilot entries, with works to mitigate or remediate risks having started on five of those." By way of comparison, UK Government statistics for England covering until the end of September 2024 state that "2,412 residential buildings (50% of identified buildings) have started or completed remediation on unsafe cladding, of which 1,412 (29% of identified buildings) have completed remediation works."

Additionally, it important to note that Scottish Government standards for the conduct of Single Building Assessments are only due to come into force on 6 January 2025, although the <u>technical specifications</u> for assessments were published in June 2024. The standards document states that "Where assessments have been carried out before the publication of these Standards, it will be necessary to have a new SBA carried out."

This means that all Single Building Assessments carried out to date will have to be redone. Where remediation has already begun, or been completed, that may also need to be revisited.

The UK Government, having worked with professional bodies, building industry stakeholders, and the British Standards Institute, published PAS9980 "Fire risk appraisal of external wall construction and cladding of existing blocks of flats – Code of practice" in January 2022. This has been used by relevant professionals to undertake cladding appraisals in England and Wales over the last two years. The Scottish Single Building Assessment technical specifications, published 18 months years later states that "This SBA Specification Document aligns with the PAS 9980: 2022 guidance."

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Scottish Safer Building Accord: The <u>Scottish Government announced the creation</u> <u>of the Scottish Safer Building Accord</u> on 12 May 2022, which the then Cabinet Secretary <u>described as</u>:

"It is my clear expectation that developers linked to buildings with problematic cladding will fund remediation where this is identified. That will ensure that when public funds are needed to be spent, we can use them to focus on buildings and works where a developer cannot be identified or no parent developer exists.

The creation of our Accord with the housebuilding sector and homeowners will form the basis of a way to address each building's needs. However I want to also make clear that if required, I will make full use of the powers available to us to bring parties to the table, including if necessary, using legislation to do so."

The then Cabinet Secretary's letter to the <u>Local Government</u>, <u>Housing and Planning</u> <u>Committee</u> on 27 March 2023 provided a progress update on the development and implementation of the Accord, which stated:

"Unfortunately, there remain a small number of outstanding, but critical issues on which we have not been able to agree. The main point of impasse being an unwillingness of developers to accept the need to work to legal Scottish Building Standards. Developers want to apply a single approach to Building Standards across the UK even when remediating buildings in Scotland."

There appears to have been very limited progress since that letter was received, with the Minister <u>indicating to the Chamber on 12 September 2024</u> that "We continue to work with developers to agree a contract in order to ensure that they can play their part in speeding up progress."

Housing (Cladding Remediation) (Scotland) Act 2024: The Housing (Cladding Remediation) (Scotland) Bill 2024 was introduced on 1 November 2023, passed on 14 May 2024, and received Royal Assent on 21 June 2024. Key provisions of the Act include:

- Require Scottish Ministers to establish a Cladding Assurance Register. Every building subject to a Single Building Assessment would have an entry in the Register, which will set out the results of that assessment and any remedial work carried out.
- Allow Ministers to arrange Single Building Assessments to be undertaken to assess fire safety risks in buildings within the scope of the Cladding Remediation Programme.
- Allow Ministers to arrange for remediation work, identified through a Single Building Assessment, to be undertaken. This will include, in urgent cases where the risk is immediate, a power to require occupants to evacuate buildings.

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- Allow Ministers to arrange Additional Work Assessments and associated remediation. These additional assessments can be carried out after a Single Building Assessment has been completed, where information comes to light about further risk to life created or exacerbated by the building's external wall cladding system.
- Grant Ministers powers to require people or companies to provide information to them for the purposes of conducting a Single Building Assessment, Additional Work Assessment or maintaining the Cladding Assurance Register.
- Establish one, or more, Responsible Developers Schemes, to ensure that house builders address, or contribute towards the costs of addressing, risks to human life created or exacerbated by the external wall cladding systems of buildings within the scope of the Programme. Eligible developers who choose not to join such a scheme could be subject to sanctions, including prohibitions on undertaking development or receiving building standards approval.

Scottish Budget 2025-26: The <u>Scottish Budget 2025-26</u> allocates £52.2 million for cladding remediation next year year, up from £41.3 million this year (2024-25) and £9.1 million in 2023-24.

It is worth noting that <u>Scottish Government figures</u> for expenditure on the Cladding Remediation Programme updated on 14 November 2024 show that total aggregate expenditure amounted to £10.2 million. A response to a <u>separate Freedom of</u> <u>Information request</u> for total Scottish Government expenditure on the Programme gave a figure of £16.9 million up until 31 March 2024. Spend on cladding remediation in the second quarter of 2024-25 was £1.16 million, clearly if expenditure continues at that rate the budget of £41.3 million is likely to be substantially underspent.

Alan Rehfisch

SPICe research December 2024