



REPORT TO: PLANNING AND REGULATORY SERVICES COMMITTEE ON 13 JUNE 2024

SUBJECT: INFORMATION REPORT: BUILDING STANDARDS FUTURES BOARD UPDATE

BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)

1. REASON FOR REPORT

- 1.1 To inform the Committee of work being carried out by the Building Standards Futures Board and raise awareness of the workstreams which will change the way the building standards service is delivered going forward.
- 1.2 This report is submitted to Committee in terms of Section III E (4) of the Council's Scheme of Administration relating to exercising the functions of the Council under Building Standards Regulations and Orders and relaxations.

2. BACKGROUND

Futures Board Work Overview

- 2.1 The Building Standards Futures Board (BSFB) was set up at the beginning of 2019 to provide guidance and direction on the development and implementation of recommendations made by the Review Panels on Compliance and Enforcement and Fire Safety. The Review Panels were formed by the Ministerial Working Group on Building and Fire Safety following failings in the construction of Edinburgh School Buildings and the fire at Grenfell Tower, London.
- 2.2 The Board's remit is to strategically advise and direct a broad programme of work aimed at improving the performance, expertise, resilience and sustainability of the Scottish Building Standards Framework and services across Scotland.
- 2.3 A number of work streams are being taken forward by the Building Standards Division, Scottish Government, a range of stakeholders from construction industry organisations, professional and public bodies including Scottish Futures Trust, Skills Development Scotland, Universities and local authorities (through Local Authority Building Standards Scotland - LABSS).

2.4 The seven work streams are:

- Workforce strategy
- Compliance plan
- Certification strategy
- Digital transformation
- Technical strategy
- Verification standards
- Delivery Models

Workforce strategy

2.5 Across Scotland, Building Standards services are facing an ageing workforce as well as lack of re-investment in staff and innovation of the service the principles of the workforce strategy will focus on identifying what is required to underpin a verification service for the future.

2.6 The Workforce Strategy for the Building Standards Verification Service was published on 1 October 2020 and contained 43 actions across five core projects for delivery over a three year period.

2.7 The aim of the strategy was to create a first-class and sustainable verification service for the future.

2.8 The strategy was based around four themes each with supporting national and local commitments for delivering change. The national and local commitments related to four key themes:

- A profession for everyone
- A professional framework
- A sustainable workforce
- A skilled workforce

2.9 The national commitments were opportunities for Building Standards Division to bring the influence of Scottish Government to the delivery of outcomes. The local commitments were hands-on activities for local authorities to lead change across the workforce, to embed improvements arising from the strategy for the long term.

2.10 Delivery of actions contributed to the achievement of local and national commitments. The outcomes delivered crossed over different themes and commitments. Due to the synergies across the themes, it was sensible to group all actions in a practical way into five core projects. This was done to support effective programme management and frequent reporting of progress to verifiers.

- Implementing the Competency Assessment System
- Promoting the Profession
- Implementing a Professional Framework
- Developing Vocational Pathways
- Developing a Learning and Development Hub

Compliance plan

- 2.11 Large complex projects often change during the construction journey. Recent building failures have highlighted the need to ensure that designs, receiving a building warrant, are constructed in accordance with that design (especially the safety critical features). A compliance plan approach for complex and high value public buildings is being explored.
- 2.12 Compliance Plan process for High Risk Buildings is now developed and out for trialling and at an early adopter stage to inform future legislation and guidance. It is expected this will be in place by the end of 2026 and could be brought in sooner if it is considered that authorities will have capacity to do so.

Certification strategy

- 2.13 All Certification Scheme Providers have been re-appointed from October 2020 for a period of six years. A strategy for the future development of certification has been agreed by the Futures Board.

This workstream will be progressed from April 2024 however will be dependent upon Building Standards Division resources.

Digital transformation

- 2.14 An eBuilding standards national portal was introduced in 2016. The portal enables the electronic submission of applications for building warrants and other forms, such as completion certificates. This project will explore how digital technology can support and enhance building standards.
- 2.15 This area is currently moving more into a Delivery Model, verifier back office and Compliance Plan support phase.

Technical strategy

- 2.16 Technical guidance is used to meet building regulations and assist with compliance with the mandatory functional standards. A review on how the Technical Handbooks are developed and communicated is being undertaken. The technical strategy will direct how Scottish Government updates and provides guidance in the future. The technical strategy may encompass more digital options to improve compliance.

Verification standards and Formation of Building Standards HUB

- 2.17 A review of the Operating and Performance Frameworks to assist verifiers in assessing their service against requirements is being undertaken. Verification standards will focus on the quality with which verification work is undertaken linking with the skills and experience of verifiers and applicants.
- 2.18 Operating and Performance Framework

Phase 1: Minor Updates and Hub References for April 2024.

Phase 2: Research and Wider Review to inform April 2025 and beyond changes – customer and compliance outcome focussed.

Auditing (planned twice in 6 year appointment) – Certification Scheme Providers, LA Verifiers (with new Compliance and Futures Board changes and application of increased fees focus).

Delivery models

- 2.19 The delivery model has the 32 Scottish local authorities appointed as verifiers, covering their own geographical area. The need for a potentially improved and reshaped verification delivery model was identified, including a review of the need for central hubs of expertise.
- 2.20 Scottish Building Standards Hub is in place from May 2024 (the necessary Delivery Model strengthening) with additional Verification & Hub Resources secured for April including increase in fees.
- 2.21 Recognising broad agreement that the Hub would be best based within a local authority to support and work with building standards teams to improve and deliver the building standards system, Fife Council were formally invited to host the permanent Hub from May 2024 onwards, and on the 11 January 2024, Fife Council Cabinet approved this request.
- 2.22 The aim of the Scottish Building Standards Hub is to strengthen the building standards system in Scotland by playing a key role in supporting the transformation and quality in building standards services and the delivery of compliant buildings through the building warrant process. The Hub will consist of a number of business units and employ a cohort of permanent staff to help it achieve this. These are: Business Unit, Operational Partnership Unit, Learning & Development Unit, Technical & Procedural Unit, STAS Unit & Digital Transformation Unit.
- 2.23 The objectives of the Hub are closely aligned to those of the Delivery Model Working Group:
- Increase consistency
 - Increase capacity to deliver across all types of construction work
 - Provide resilience
 - Drive efficiencies
 - Ensure investment in skills and new technology
- 2.24 The Hub is not part of the Scottish Government and will be overseen by an Advisory Board consisting of representatives from key stakeholders such as BSD, LABSS, COSLA/SOLACE and industry representatives. The BSD role within the Board is to represent the views of Scottish Ministers and the Advisory Board will set the strategic direction of the Hub and ensure it achieves its objectives.
- 2.25 The Hub will undertake a number of activities, but not limited to, below:
- Provide specialist expertise in fire and structural engineering
 - Facilitate and support workload sharing between verifiers
 - Arrange and deliver training to verifiers on new energy standards and other areas where appropriate
 - Provide access to digital transformational support
 - Undertake administration of STAS, dispute resolution and Information papers

- Maintain and develop a Learning Management System containing digitised training modules
- Develop a digital skills builder platform that will provide a Competency Assessment System (CAS) for verifiers
- Provide access to building & construction industry stakeholders for advice and information

2.26 The Hub will continue to develop where necessary to provide appropriate level of support to the building standards service in Scotland. Scottish Government officials will provide progress reports to Ministers on the development and progress of the Hub.

Funding the Hub is estimated to be £1.2 – £1.3 million per year and this will be provided through the planned annual phased increase in building warrant fees, which will also be used to support changes to strengthen the system being brought through the work of the Futures Board Programme.

2.27 The first year fee increase has been agreed by the Minister, with future year increases subject to review, and further approval from the Minister.

2.28 The intention is that part of future years fee increase reviews will be based on local authorities demonstrating how the fees increase will be re-invested in the building standards service to meet the terms of the operating and performance frameworks, including performance targets.

2.29 Year 1 (2024/25) is designed to deliver, approximately, an increase of £5m (14%) nationally in building warrant fee income based on modelled current fee income. In real terms, this would result in local authorities receiving, approximately, an increase of 10% in fee income based on their current income.

2.30 Year 2 (2025/26) is designed to deliver, approximately, an increase of £8m (23%) nationally in building warrant fee income based on modelled current fee income. In real terms, this would result in local authorities receiving, approximately, a cumulative increase of 18% in fee income based on their current income.

2.31 Year 3 (2026/27) is designed to deliver, approximately, an increase of £12m (35%) nationally in building warrant fee income based on modelled current fee income. In real terms, this would result in local authorities receiving a cumulative increase of 30% in fee income based on their current income.

2.32 In 2026/27 the Building Standards Division envisage the enhanced compliance plan will be introduced for High Risk Buildings (HRB) and as such, an enhanced, HRB fee will also be introduced to the fee model.

3. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

The 10 year plan's top priority is a growing, diverse and sustainable economy. It covers business, employment, infrastructure, public

services and developing sustainable communities. Delivering improvements to the building standards service is a vital aspect of supporting and facilitating the Council's priority for economic growth and supports the Service Plan to deliver service improvements.

(b) Policy and Legal

Building (Scotland) Act 2003

It is a responsibility of all building standards services to meet the Operating and Performance Frameworks for verifiers as part of our terms of appointment. Current appointment period extends to April 2029. However we require to meet this through the period through auditing.

The Scottish Ministers have powers to give verifiers directions of a general or specific character as to the exercise of their functions under the Building (Scotland) Act 2003. This intervention would come when a building standards service is not meeting, or have not been, satisfactorily performing in terms of the agreed terms of appointment. Demonstrating that the building standards service meets or exceeds the requirements of the outcomes and framework is vital in retaining the appointment for the geographical area of Moray.

(c) Financial implications

There are no direct financial implications arising from this report at this stage. However, there are increased fee income over a 3 year period highlighted however this comes with financial risks associated, increased expectations and workloads.

(d) Risk Implications

There is a risk if this authority doesn't continue to drive change in terms of resourcing the building standards service there will be an impact on supporting sustainable economic growth.

The appointment in 2020 was conditional on the service meeting the Operating Framework and the Performance Framework. This includes satisfying Scottish Ministers that we are meeting, and continue to meet, performance measures. The annual performance report and auditing will be key to demonstrating how we meet the frameworks, how continuous improvement is being achieved and how increased income is being reinvested back into the service. Risk of not meeting our terms of appointment is that we are not appointed as verifiers or the period of appointment is reduced.

(e) Staffing Implications

Currently no staffing resource implications arising from this report however as the workstreams come to fruition, clarity received on intent, and the operating and performance frameworks are updated in 2025, staff resources will require to be considered to achieve performance levels and make further improvements to meet our obligations as a verifier.

Any significant increases in building warrant applications would likely impact on performance but would depend on their complexity.

(f) Property

None.

(g) Equalities/Socio Economic Impact

None.

(h) Climate Change and Biodiversity Impacts

No climate Change and Biodiversity implications for the local authority arise from the content of this report.

(i) Consultations

Depute Chief Executive (Economy, Environment & Finance),
Head of Economic Growth and Development, Legal Services Manager,
Lissa Rowan (Committee Services Officer), Equal Opportunities Officer,
Principal Climate Change Officer, Anne Smith (Senior HR Adviser)

4. CONCLUSION

4.1 This report summarises the current workstreams of the Building Standards Futures Board. These are key areas of work which will require integration into our priorities going forward with a view to providing an improved building standards service both within Moray and Nationally.

Author of Report: William Clark, Acting Development Management & Building Standards Manager

Background Papers:

Ref: