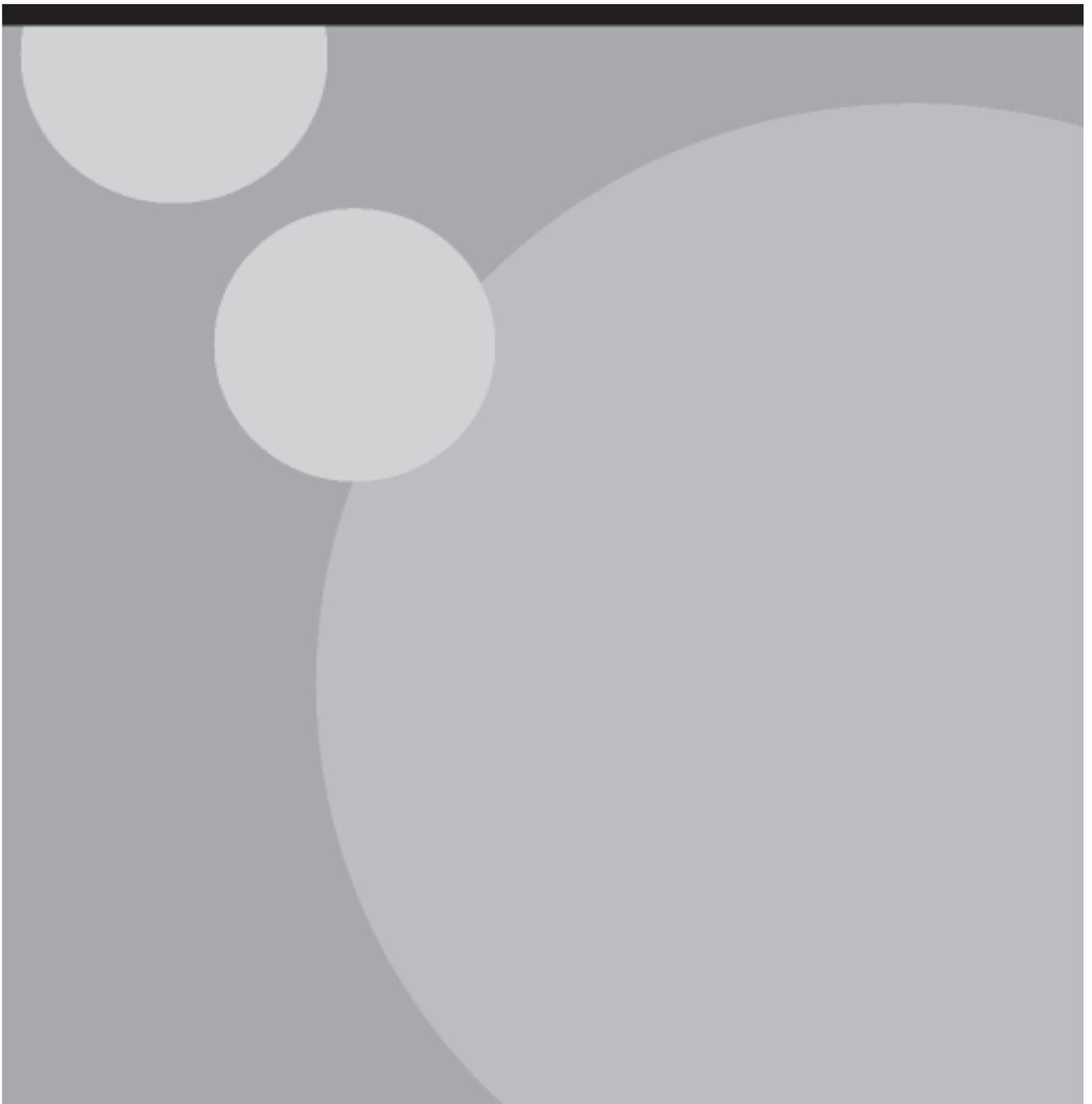




Removing inconsistency in local fire protection standards

Final impact assessment





Removing inconsistency in local fire protection standards

Final impact assessment

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Summary: Analysis and Evidence

Policy Option 1

Description:

Repeal provisions relating to tall buildings, large storage buildings and car parks

Price Base Year 2010	PV Base Year 2010	Time Period Years 35	Net Benefit (Present Value (PV)) (£m)		
			Low: 6.6	High: 25.6	Best Estimate: 15.1

COSTS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	1	Optional	Optional
High	Optional		Optional	Optional
Best Estimate	0.0013			

Description and scale of key monetised costs by 'main affected groups'

We estimate an administrative burden for updating technical and procedural guidance, amending letter templates, redrafting technical conditions/standards and amending charging regimes. Assumptions are based on 13 inner London boroughs (inc. City of London), which all regularly utilise their powers in local Acts (the impact on other local authorities is considered to be insignificant). We have assumed 2hrs work at £50ph, therefore the one-off cost to local authorities = 13 x 2 x £50 = £1300.

Other key non-monetised costs by 'main affected groups'

Possible increase in loss/damage to buildings due to fire, may result in increased insurance premiums. Due to the information being unavailable it has not been possible to monetise the difference between the associated damage caused to a building from a fire and from a 'big' fire.

BENEFITS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	N/A		0.3	6.6
High	N/A		0.8	25.6
Best Estimate	N/A		0.5	15.1

Description and scale of key monetised benefits by 'main affected groups'

Estimated year one savings of not installing the fire protection measures required by local Acts are £2.6m. Slightly reduced to £1.8m (central scenario) on the assumption that such fire precautionary measures will continue to be provided in up to a third of all buildings covered by local Acts (through choice). Benefits reflect savings from not having to install sprinklers and smoke extract, administration fees and the ongoing maintenance.

Other key non-monetised benefits by 'main affected groups'

The repeal removes possible indirect anti-competitive process between local authorities and approved inspectors. Burdens to industry are not only applicable at development and construction phases (which are the main considerations in this IA), but also as and when alterations take place - and ongoing maintenance. Burden is subsequently increased when consultants/designers/developers carry out work with little or no experience of local Acts, which is a common occurrence.

Key assumptions/sensitivities/risks

Discount rate (%) 3.5/3

Elements to be repealed are covered by Building Regulations where applicable to health and safety of people in and around buildings. The repeal would remove onerous requirements from industry, which can only be administered and enforced by local authorities. The proposal is likely to impose most burden on the local authorities. The assumptions made throughout are based on the limited information available, in this respect it is assumed that where local Acts are applicable to car parks, such car parks will be associated to the tall buildings already accounted for in the calculations. It is also assumed for the central scenario that 33% of buildings will continue to be fitted with these measures. In the low scenario this rises to 40% of buildings, and falls to 25% in the high scenario.

Direct impact on business (Equivalent Annual) £m):			In scope of OIOO?	Measure qualifies as
Costs: 0	Benefits: 0.755	Net: - 0.755	Yes	OUT

Enforcement, Implementation and Wider Impacts

What is the geographic coverage of the policy/option?		England			
From what date will the policy be implemented?		01/03/2011			
Which organisation(s) will enforce the policy?		N/A			
What is the annual change in enforcement cost (£m)?		£0			
Does enforcement comply with Hampton principles?		Yes			
Does implementation go beyond minimum EU requirements?		No			
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)		Traded: N/A		Non-traded: N/A	
Does the proposal have an impact on competition?		No			
What proportion (%) of Total PV costs/benefits is directly attributable to primary legislation, if applicable?		Costs: N/A		Benefits: N/A	
Distribution of annual cost (%) by organisation size (excl. Transition) (Constant Price)	Micro N/A	< 20 N/A	Small N/A	Medium N/A	Large N/A
Are any of these organisations exempt?	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No

Specific Impact Tests: Checklist

Set out in the table below where information on any SITs undertaken as part of the analysis of the policy options can be found in the evidence base. For guidance on how to complete each test, double-click on the link for the guidance provided by the relevant department.

Please note this checklist is not intended to list each and every statutory consideration that departments should take into account when deciding which policy option to follow. It is the responsibility of departments to make sure that their duties are complied with.

Does your policy option/proposal have an impact on...?	Impact	Page ref within IA
Statutory equality duties¹ Statutory Equality Duties Impact Test guidance	No	12
Economic impacts		
Competition Competition Assessment Impact Test guidance	Yes	12
Small firms Small Firms Impact Test guidance	No	12
Environmental impacts		
Greenhouse gas assessment Greenhouse Gas Assessment Impact Test guidance	No	12
Wider environmental issues Wider Environmental Issues Impact Test guidance	No	12
Social impacts		
Health and well-being Health and Well-being Impact Test guidance	No	12
Human rights Human Rights Impact Test guidance	No	12
Justice system Justice Impact Test guidance	No	12
Rural proofing Rural Proofing Impact Test guidance	No	12
Sustainable development Sustainable Development Impact Test guidance	No	12

¹ Public bodies including Whitehall departments are required to consider the impact of their policies and measures on race, disability and gender. It is intended to extend this consideration requirement under the Equality Act 2010 to cover age, sexual orientation, religion or belief and gender reassignment from April 2011 (to Great Britain only). The Toolkit provides advice on statutory equality duties for public authorities with a remit in Northern Ireland.

Evidence Base (for summary sheets) – Notes

Use this space to set out the relevant references, evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Please fill in **References** section.

References

Include the links to relevant legislation and publications, such as public impact assessments of earlier stages (e.g. Consultation, Final, Enactment) and those of the matching IN or OUTs measures.

No.	Legislation or publication
1	Rethinking control of buildings FINAL REPORT; RICS Building Control Forum
2	BRE; ODPM Building Regulations Division Project Report:: Effect of Local Acts on Fire Risks
3	Final Regulatory Impact Assessment Changes to Part B (Fire safety) of the Building Regulations 2000 (as amended) and Approved Document B
4	

+ Add another row

Evidence Base

Ensure that the information in this section provides clear evidence of the information provided in the summary pages of this form (recommended maximum of 30 pages). Complete the **Annual profile of monetised costs and benefits** (transition and recurring) below over the life of the preferred policy (use the spreadsheet attached if the period is longer than 10 years).

The spreadsheet also contains an emission changes table that you will need to fill in if your measure has an impact on greenhouse gas emissions.

Annual profile of monetised costs and benefits* - (£m) constant prices

	Y ₀	Y ₁	Y ₂	Y ₃	Y ₄	Y ₅	Y ₆	Y ₇	Y ₈	Y ₉
Transition costs	0.0013	0	0	0	0	0	0	0	0	0
Annual recurring cost	0	0	0	0	0	0	0	0	0	0
Total annual costs	0.0013	0	0	0	0	0	0	0	0	0
Transition benefits	0	0	0	0	0	0	0	0	0	0
Annual recurring benefits	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Total annual benefits	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8

* For non-monetised benefits please see summary pages and main evidence base section

The annual profile above shows the first 10 years of the life of the preferred policy only. However, the life of the preferred policy (central scenario) is 35 years (10 years construction and 25 years of maintenance only). The annual profile of the policy changes significantly once construction is completed. Therefore, the complete annual profile of monetised costs and benefits that will occur from repealing provisions relating to large storage buildings, tall buildings and car parks in the local Acts are presented in the spreadsheet below.

The spreadsheet below contains the benefit calculations that will occur from repealing provisions in the Local Acts relating to large storage buildings, car parks and tall buildings.



Y:\017 Part B
Technical Policy Fire :

Evidence Base (for summary sheets)

Problem under consideration

1. This Impact Assessment considers the repeal of certain fire protection measures in local Acts. Local Acts require additional fire protection measures in certain areas in England.
2. Whilst the fire protection provisions of the Acts vary slightly they tend to include certain typical provisions which give local authorities the discretion to impose additional requirements for fire protection which are more onerous than would be required in national building regulations for warehouses (over 7000m³), car parks and tall buildings (over 30m). There are also provisions for local authorities to ensure that fire service appliances (vehicles) can gain access to a site. National building regulations only deal with appliance access within the site boundaries. The proposal is to repeal provisions relating to large storage buildings, car parks and tall buildings, which are not considered necessary to ensure safety in case of fire, but to retain the provisions relating to fire rescue service access. This will enable suitable access to be provided for the fire rescue service, which may go beyond the extent of the site.
3. The first national building regulations came into force in 1966 with advice from the Building Regulations Advisory Committee (BRAC), which was set up in 1961. The 1965 regulations were amended several times and consolidated in 1976 and again in 1985. However Inner London continued to have much stricter controls under the London Building Acts of 1930, 1935 and 1939. In 1986 the national building regulations were brought into Inner London and replaced the building bye-laws (applicable to Inner London), but the Acts were largely retained and thus controls in Inner London remained different from those in the rest of England and Wales. Local Acts also exist in around 23 other areas of the country, having one or more specific provisions for fire precautions which are over and above the national building regulations (for England and Wales). One of the main triggers for the proposed objective was the Government drive to remove unnecessary regulations; subsequently an initial exercise was conducted to identify possible areas where a reduction or repeal of duplicating or unnecessary secondary legislation could take place.
4. A statistical review concluded that local Acts have no statistically significant impact as far as life safety aspects are concerned; although they did appear to reduce property losses for warehouses and car parks. For tall buildings, there was little benefit, as the inherent degree of compartmentation is sufficient to prevent most fires getting "big". As such, the local Acts could be repealed with no significant adverse effects on safety.

Rationale for intervention

5. The proposed repeal is an appropriate deregulatory measure that reduces procedural and financial burdens on the construction industry where local Acts are applicable. Such additional burdens are over and above the national building regulations, which set minimum standards for the design and construction of buildings. In respect of fire protection, the Building Regulations are made only for the purposes of securing reasonable standards of health and safety. However, local Act provisions tend to be used to impose standards which are more onerous than the Building Regulations and in this respect go beyond ensuring the safety and health of people.
6. Under the Building Regulations, work may be supervised by either the local authority or by a private approved inspector. The local authority, however, remains responsible for imposing conditions under any local Act provisions. In some cases this can present a potentially anti-competitive situation between local authorities and approved inspectors as a developer may choose to use the services of the local authority purely based on administrative consistency, as the local authority is able to deal with both national building regulations and local Acts.

Policy Objective

7. The aims of the policy are to eliminate the potential anti-competitive process, provide a uniform standard of building control throughout the country, and reduce unnecessary procedural and financial burdens on industry (where local Acts are applicable).

The options considered

8. Two options are considered in detail in this Impact Assessment:
 - Do nothing and retain the current local Acts.
 - (1) Repeal provisions in the local Acts relating to large storage buildings (over 7000m³), car parks and tall building (over 30m), but retain the provisions relating to fire and rescue service access.
9. The 'do nothing' option is not preferred because the provisions contained in the local Acts currently impose both policy costs and an administrative burden from additional procedures. In addition, the local Acts go over and above the national standards, which is not conducive to the application of a uniform standard of building control throughout the country.
10. Option 1 is preferred as it would reduce or remove the regulatory burdens that local Acts currently impose without posing a significant impact on life safety.
11. We have briefly considered the option to repeal all provisions for fire precautions in the local Acts. However, this is not preferred because the national building regulations only deal with fire and rescue appliance access within the site boundaries. Local Acts provide powers to ensure that there is adequate access to a site and that existing access to neighbouring buildings is not obstructed. Whilst these provisions are rarely used, their repeal could have implications on the health and safety of people in and around buildings.
12. Consideration has also been given to an option of amending the scope of the Acts so as to only apply to 'very large storage buildings' i.e. greater than 20,000m³. However, the local Acts go over and above the requirements of the national building standards (which afford a reasonable level of health and safety); any amendment to the Acts would continue duplication or be too onerous. In this respect this is not conducive to the application of a uniform standard of building control throughout the country; therefore this is not discussed further in this impact assessment.
13. The Department wrote to interested groups on 18 August 2010 asking for comment on the proposed repeals. We received 45 responses of which 21 respondents supported the repeals and 17 objected, with the majority citing concerns for fire fighter safety and/or property protection. A further 7 respondents were neutral or gave a mixed response. Supporters broadly felt that local Acts imposed unnecessary bureaucratic and cost burdens on developers. Several local authorities supported repeal because they did not enforce the local Acts.
14. Local Act provisions tend to be used to impose standards which are more onerous than the Building Regulations and in this respect go beyond ensuring the safety and health of people. One of the primary purposes of the Building Regulations is to secure the health, safety, welfare and convenience of people in and around buildings, the issue of property/business protection is not a material consideration.
15. Some respondents suggested that local Acts currently provided better protection for fire-fighters than is provided by building regulations. However, no rationale was given as to why fire-fighters should be better protected in some areas than in the rest of the country. In many cases Fire Authorities cover areas that are only partly covered by a local Act.
16. It was also suggested that local Act provisions also contributed to reducing financial losses from fires but this is not considered to be an appropriate objective for regulation as the management of business risks is a matter for the business community and their insurers.

Costs and benefits

17. The costs and benefits presented in this section account for large storage buildings, tall buildings and car parks. The number of buildings constructed each year remains constant through all three modelled scenarios. However, the alternative scenarios represent varying maintenance periods i.e. 30, 35 and 40yrs, this approach was deemed prudent due to uncertainties of the life of a building and the impact of maintenance costs over time. The modelling of each scenario showed that the impact of maintenance costs diminished over time and the difference in outcomes is due to capital spend in the first ten years and the range in costs. The results are detailed in annex 2.
18. In addition, due to the limitations of available information in relation to numbers of 'stand alone' car parks constructed each year (where local Acts are applicable) the burdens associated to car parks have been considered as part of tall buildings. It is worth noting that were information readily available of the actual number of 'stand alone' car parks (where local Acts apply) constructed each year, the total saving would increase. For clarity, the costs and benefits for each have been added together. A breakdown of the costs and benefits for each type of structure is provided in Annex 2.

Costs

19. 'Do nothing' approach

Total costs:

Nil. Doing nothing will not incur any additional costs.

Total Benefits:

Nil. Doing nothing will not incur any additional benefits.

Repealing provisions in local Acts:

20. This section outlines the costs and benefits of repealing provisions in the local Acts relating to large storage buildings, car parks and tall buildings. Three scenarios have been explored for this option so as to present a range of costs and benefits. These scenarios have been chosen to reflect the risks and assumptions surrounding this policy, which are outlined in the next section.

Costs

21. It is likely that there will be some very minor adjustment costs in terms of procedural and administrative changes, such costs would be associated to the relevant local authority building control bodies.
22. Due to local authorities remaining responsible for imposing conditions and enforcement under any local Act provisions the proposal is likely to impose most burden on the local authorities. Based on the limited information available on which local authorities currently apply the local Acts, our assumptions are based on the 13 inner London boroughs (inc. City of London), all of which currently regularly enforce local Acts (the impact on other Local Authorities is considered to be insignificant). The administrative cost is based on two hours costed at the average hourly wage of a building control surveyor of £50 for each local authority, therefore the one-off cost equates to = $13 \times 2 \times 50 = £1300$. The administrative burden consists of updating technical and procedural guidance, amending letter templates, redrafting technical conditions/standards and amending charging regimes.
23. There is also the possibility of a potential marginal increase in property loss/damage to buildings due to fire and as a consequence, a subsequent increase in insurance premiums. Based on the figures available from the Home Office fire statistics database 1994-1999 (as detailed in the [BRE report](#)) it suggests an increase of approximately 3% (per thousand fires)¹ in fires getting 'big' in areas where there are no local Acts, in comparison to areas where local Acts apply. Whilst this is worth noting, this must be put into context as it relates to property loss/damage and bears no consequence to the risk of life safety. A percentage of developments will continue to have sprinklers fitted even when they are not required under local Acts, purely based on commercial decisions.

¹ The statistical analysis data contained within the BRE; ODPM Building Regulations Division Project Report: Effect of Local Acts on Fire Risks is calculated and presented per thousand fires.

24. One of the main intentions of such repeal is to provide a uniform standard of building control throughout the country, with the primary function for the health and safety of people. The national building standards are for the purpose of securing the health, safety, welfare and convenience of people in or about buildings. The provisions in local Acts are over and above the requirements relating to national building regulations i.e. over and above the health and safety of people. Business/property protection is a matter of consideration for the business sector.

Costs and benefits of central scenario:

25. The central scenario assumes that the structures affected are maintained for 25 years after the 10 year period of construction is complete i.e. we have assumed that for the first 10 years 3 buildings (tall buildings and car parks) and 10 large storage buildings will be constructed each year (see paragraph 34 below) and subsequently caught by the local Act provisions. The central scenario is represented by the best estimates given on the summary page.

Transitional costs

26. The total cost associated to the repeal of certain provisions in local Acts is estimated at approximately £1300. For full details see paragraphs 18 - 19

Benefits

27. This section outlines the benefits of repealing certain provisions in the local Acts in a building maintained for 25 years after construction is completed. Benefits arise though savings from sprinklers, smoke extract, administration, local authority administration and local authority fees. The capital savings accounting for all three types of buildings are £1.79m per year. Over the 10 year construction period this amounts to £17.9m (£14.88mPV).

28. Maintenance savings begin to arise in year 1 (second year of construction) and continue for 25 years after construction has finished i.e. 34yrs (9+25). The total savings amount to £469,000 (£259,000PV).

29. Adding capital savings to maintenance savings gives at total benefit of £18.4m (£15.1mPV).

30. **Net benefit:** benefits minus costs equates to just below £18.4m (£15.1mPV) or £0.5m annually.

Costs and benefits of low scenario:

31. The low scenario costs and benefits of repealing certain provisions in the local Acts assumes that the structures affected are maintained for 20 years after the 10 year period of construction is complete i.e. we have assumed that for the first 10 years 3 buildings (tall buildings and car parks) and 10 large storage buildings will be constructed each year and subsequently caught by the local Act provisions.

Transitional costs

32. As in the central scenario the total cost associated to the repeal of certain provisions in local Acts is estimated at approximately £1300. For full details see paragraphs 18 - 19.

Benefits

33. This section outlines the benefits of repealing certain provisions in the local Acts in a building maintained for 20 years. Benefits arise though savings from sprinklers, smoke extractors, administration, local authority administration and local authority fees. The capital savings accounting for all types of building are £782,000 per year. Over the 10 year construction period this amounts to £7.8m (£6.5mPV).

34. Maintenance savings begin to arise in year 1 (second year of construction) and continue for 20 years after construction has finished i.e. 29yrs (9+20). The total savings amount to £210,000 (£124,000PV).

35. Adding capital savings to maintenance savings gives at total benefit of £8m (£6.6mPV).

36. **Net benefit:** benefits minus costs equates to just below £8m (£6.6mPV) or £0.3m annually.

Costs and benefits of high scenario:

37. The high scenario costs and benefits of repealing certain provisions in the local Acts assumes that the structures affected are maintained for 30 years after the 10 year period of construction is complete i.e. we have assumed that for the first 10 years 3 buildings (tall buildings and car parks) and 10 large storage buildings will be constructed each year and subsequently caught by the local Act provisions.

Transitional costs

38. As in the central scenario the total cost associated to the repeal of certain provisions in local Acts is estimated at approximately £1300. For full details see paragraphs 18 - 19.

Benefits

39. This section outlines the benefits of repealing certain provisions in the local Acts in a building maintained for 30 years. Benefits arise though savings from sprinklers, smoke extractors, administration, local authority administration and local authority fees. The capital savings accounting for all types of building are £3m per year. Over the 10 year construction period this amounts to £30.3m (£25.2mPV).

40. Maintenance savings begin to arise in year 1 (second year of construction) and continue for 30 years after construction has finished i.e. 39yrs (9+30). The total savings amount to £810,000 (£421,000PV).

41. **Net benefit:** benefits minus costs benefits minus costs equates to just below £31.1m (£25.6m NPV) or £0.8m annually.

Summary of costs and benefits (ranges):

42. The costs and benefits of repealing certain provisions of the local Acts for large storage buildings, tall buildings and car parks are summarised below:

Constant prices

Scenario	Capital	Maintenance (+)	Cost (-)	Total
Low	£7.8m	£210,000	£1,300	£8m
Central	£17.9m	£469,000	£1,300	£18.4m
High	£30.3m	£810,000	£1,300	£31.1m

Present values

Scenario	Capital	Maintenance (+)	Cost (-)	Total NPV
Low	£6.5m	£124,000	£1,300	£6.6m
Central	£14.9m	£259,000	£1,300	£15.1m
High	£25.2m	£421,000	£1,300	£25.6m

Risks and Assumptions

43. We assume that 3 new buildings (tall buildings and car parks) and 10 new large storage buildings constructed per year in each scenario will be caught by the local Act provisions. These assumptions are based on the average taken from planning statistics for inner London in relation to tall buildings and car parks. In turn, the analysis of planning applications was carried out for the Final Regulatory Impact Assessment in relation to Changes to Part B (Fire safety) of the Building Regulations 2000 (as amended) and Approved Document B. This suggested that about 16% of warehouses and related industrial buildings are built in areas covered by local Acts. With the planning data suggesting about 50 such buildings are captured annually by the current compartment limit in local Acts i.e. a building that has a volume of more than 7,000m³. Therefore in relation to repealing the sections of local Acts that have requirements for a maximum compartment size for unsprinklered storage space and replacing with a single, national limit at the higher threshold of 20,000m² (as currently required under the national standard) will mean that about 10 of the 50 buildings will continue to be captured each year.

44. Associated costs;

Type of buildings	Sprinklers	Sprinkler maintenance per building (per yr)	Smoke extract	Smoke extract maintenance per building (per yr)	Administrative (inc preparation of application) where applicable	Local Authority Administrative costs (inc Building Control Surveyor)	Local Authority fee's	Total additional cost per building
Tall buildings, inner London 25m if any one floor is greater than 930m2	£116,334 - £357,400 (£17.87/m2)	£300 - £800	£195,300 - £600,000 (£30/m2)	£300 - £800	£23,176 - £120,520	£600 - £850	£1,366	£336,776 - £1,065,730
Large storage buildings (more than 7000m3)	£6,969.30 - £19,746.30 (£ 17.87/m2)	£300 - £800	£5,850 - £16,575 (£ 15/m2)	£150 - £300	£208 - £2,027	£200 - £350	£1,366	£14,593 - £40,064
Car parks (generally comprising or within a building with spaces for more than 3 cars and the floor situated more than 1.2m below ground). However only applicable to inner London when of excess height or excess cubical extent, therefore assumed car park will be a single story basement (associated to building and its footprint.	£16,620 - £44,675 (£ 17.87/m2)	£N/A - £N/A (inc in the cost for tall buildings)	£32,550 - £87,500 (£ 35/m2, inc jet fans)	£N/A - £N/A (inc in the cost for tall buildings)	£N/A (inc in the cost for tall buildings)	£N/A (inc in the cost for tall buildings)	£N/A (inc in the cost for tall buildings)	£49,170 - £132,175
		Not included in year one		Not included in year one				

45. An assumption has been made that fire precautionary measures (as detailed in the local Acts) will continue to be provided in a percentage of buildings i.e. such measures as sprinklers will continue to be provided for insurance purposes and/or in buildings deemed a greater risk with regards to business [property] protection. This is incentivised by the insurance industry via discounted premiums. We assume for the central scenario that 33% of buildings will continue to be fitted with the measures. In the low scenario this rises to 40% of buildings, and falls to 25% in the high scenario.

46. Failure not to repeal particular elements of the local Acts will mean that a potential non-competitive situation remains between local authorities and approved inspectors, where developers choose to use an approved inspector. In addition, more onerous requirements will be enforced in particular parts of England and Wales. This is not conducive to the application of a uniform standard of building control throughout England and Wales.

Administrative burden and policy savings calculations

47. Administrative costs in relation to the preparation of drawings and relevant information associated to local Act provisions, this includes the design, coordination, supervision and commissioning. In the supporting calculations we have assumed the consultants fee's associated with this administrative costs would be; for the low scenario £23,176 (for tall buildings), £203 (for large storage buildings), for the high scenario £120,520 (for tall buildings), £2,027 (for large storage buildings) and for the central £71,848 (for tall buildings), £1,118 (for large storage buildings). For the purpose of the supporting calculations we have also assumed the consultant's fee's range from 8.9 – 13.1% of the project cost. Based on this, 2% of this figure equates for the additional works required to satisfy local Act requirements. This is therefore a total associated cost saving in the event particular provisions of the local Acts are repealed. These administrative costs have been reflected in the supporting calculations.

Wider impacts

48. The wider impacts of repealing the local Acts provisions for large storage spaces, car parks and tall buildings have been considered through a series of specific impact tests.

Equalities Impact Test

An initial equalities screening of the proposed policy was carried out and determined that a full equalities impact test was not required as the proposed repeal of provisions does not adversely affect any minority groups.

Economic Impact Tests

The potential effects of repealing certain provisions in the local Acts on competition and small firms have been assessed and the conclusion was reached that there will be no negative impact. The repeal removes the potential for anti-competitive behaviour between local authorities and approved inspectors, which would have a positive impact on competition. However, all information available is anecdotal; it is therefore not possible to monetise.

Environmental Impact Tests

It has been determined that this policy will not result in additional greenhouse gases being emitted and have no impact on the wider environment. (Possibly more fires if sprinklers not fitted - but we assume they would still be fitted where it makes sense). However, the effect of fire on the environment is often overstated by lobbyists promoting higher standards. Large fires do result in the release of Carbon Dioxide and other damaging substances into the environment but the total impact is considered to be relatively small. Any environmental benefits from enhanced fire protection need to be balanced against the environmental damage costs of manufacturing and installing fire protection systems.

Social Impact Tests

We do not expect the proposal to have any social implications. The provisions in local Acts are over and above the requirements relating to the national building regulations which are there to secure a reasonable level health, safety and welfare in and around buildings. In this respect the intention is not to reduce the national standards, rather, to ensure a consistent and reasonable standard is achieved and enforced within all areas of England and Wales.

Sustainable Development

We do not expect the proposal to have any sustainable development implications. The provisions in local Acts are over and above the requirements relating to the national building regulations which are there to secure a reasonable level health, safety and welfare in and around buildings. In this respect the intention is not to reduce the national standards, rather, to ensure a consistent and reasonable standard is achieved and enforced within all areas of England and Wales.

Summary and preferred option with description of implementation plan

49. Option 1 is preferred as local Acts currently impose burdens across all sectors of the building industry (developers, builders, manufacturers etc.) and on clients who are requiring relevant building work to be carried out. Schedule 1(11) of the 1984 Building Act provides the power to repeal local Acts. "If it appears to the Secretary of State that it is inconsistent with, or is unnecessary or requires alteration in consequence of, any provision contained in or made under any enactment relating to building regulations". Repealing these sections poses no statistically significant impact as far as life safety aspects are concerned.

Annexes

Annex 1 should be used to set out the Post Implementation Review Plan as detailed below. Further annexes may be added where the Specific Impact Tests yield information relevant to an overall understanding of policy options.

Annex 1: Post Implementation Review (PIR) Plan

A PIR should be undertaken, usually three to five years after implementation of the policy, but exceptionally a longer period may be more appropriate. If the policy is subject to a sunset clause, the review should be carried out sufficiently early that any renewal or amendment to legislation can be enacted before the expiry date. A PIR should examine the extent to which the implemented regulations have achieved their objectives, assess their costs and benefits and identify whether they are having any unintended consequences. Please set out the PIR Plan as detailed below. If there is no plan to do a PIR please provide reasons below.

<p>Basis of the review: [The basis of the review could be statutory (forming part of the legislation), i.e. a sunset clause or a duty to review , or there could be a political commitment to review (PIR)];</p>
<p>Review objective: [Is it intended as a proportionate check that regulation is operating as expected to tackle the problem of concern?; or as a wider exploration of the policy approach taken?; or as a link from policy objective to outcome?]</p>
<p>Review approach and rationale: [e.g. describe here the review approach (in-depth evaluation, scope review of monitoring data, scan of stakeholder views, etc.) and the rationale that made choosing such an approach]</p>
<p>Baseline: [The current (baseline) position against which the change introduced by the legislation can be measured]</p>
<p>Success criteria: [Criteria showing achievement of the policy objectives as set out in the final impact assessment; criteria for modifying or replacing the policy if it does not achieve its objectives]</p>
<p>Monitoring information arrangements: [Provide further details of the planned/existing arrangements in place that will allow a systematic collection systematic collection of monitoring information for future policy review]</p>
<p>Reasons for not planning a review: [If there is no plan to do a PIR please provide reasons here]</p> <p>As the proposal is deregulatory and involves the removal of unnecessary and duplicate requirements it is anticipated that a specific review will not be necessary. The cost of a formal assessment of this policy would be disproportionate to the anticipated scale of savings from the repeals. However, the Department does collect fire statistics and monitors trends in the causes of fire and injuries resulting from fire.</p>

Annex 2: Breakdown of costs and benefits

Summary of costs and benefits in constant prices

				Total in constant prices
Costs	All scenarios	Cost to LAs		-£1,300
Benefits	Low (30 years)	Maintenance	Tall	£120,000
			Storage	£90,000
			Car park	£0
		Capital	Tall	£6,061,968
			Storage	£875,598
			Car park	£885,060
	Central (35 years)	Maintenance	Tall	£275,000
			Storage	£193,750
			Car park	£0
		Capital	Tall	£14,239,966
			Storage	£1,831,030
			Car park	£1,822,517
	High (40 years)	Maintenance	Tall	£480,000
			Storage	£330,000
			Car park	£0
		Capital	Tall	£24,303,060
Storage			£3,004,832	
Car park			£2,973,938	

For annual benefits in constant prices please refer to the spreadsheet inserted on page 6 (the period of time makes insertion of full annual breakdown here impractical).

1. Central scenario 35years (10 years construction including 9 years maintenance and 25 years maintenance only)

1.1 Calculation of capital savings

The table below shows the source of capital savings.

Type of building	Sprinklers	Smoke extract	Admin (inc preparation of application) where applicable	Local Authority Admin costs (Building Control Surveyor)	Local Authority fee's	One off benefit per building of not undertaking measures	Approx N° of buildings caught by L Acts (per yr)	Assumed Baseline buildings still fitting measures	Buildings no longer fitting measures	Total one Off benefit
Tall	£236,867	£397,650	£71,848	£725	£1,366	£708,456	3	33%	2.010	£1,423,997
Large storage	£13,358	£11,213	£1,118	£275	£1,366	£27,329	10	33%	6.700	£183,103
Car parks	£30,648	£60,025	£0	£0	£0	£90,673	3	33%	2.010	£182,252
Totals	£280,872	£468,887	£72,965	£1,000	£2,732	£826,457	-	-	-	£1,789,351

In the central scenario, the assumption is made that 33% of developers continue to install sprinklers and smoke extract.

The table below shows the total capital savings over 10 years of construction.

Type of building	Total one Off benefit	NPV over 10 years of construction
Tall	£1,423,997	£11,842,817
Large storage	£183,103	£1,522,795
Car parks	£182,252	£1,515,716
Totals	£1,789,351	£14,881,328

1.2 Calculation of maintenance savings

Following 10 years of construction, maintenance lasts for 25 years. A discount rate of 3.5% is applied for the first 30 years and of 3% for the remaining 5 years.

Type of building	NPV of Maintenance for first 30 yrs	NPV of Maintenance for remaining time	Total NPV of maintenance over lifespan of building
Tall	£145,347	£6,349	£151,696
Large storage	£102,404	£4,473	£106,877
Car parks	£0	£0	£0
Totals			£258,573

1.3 Total benefits

Capital savings plus maintenance savings

Type of building	NPV over 10 years of construction	Total NPV of maintenance over lifespan of building (25yrs)	Total PV Benefit (35 yrs)
Tall	£11,842,817	£151,696	£11,994,514
Large storage	£1,522,795	£106,877	£1,629,672
Car parks	£1,515,716	£0	£1,515,716
Totals	£14,881,328	£258,573	£15,139,901

2. Low scenario 30 years (10 years construction including 9 years maintenance and 20 years maintenance only)

2.1 Calculation of capital savings

The table below shows the source of capital savings.

Type of building	Sprinklers	Smoke extract	Admin (inc preparation of application) where applicable	Local Authority Admin costs (Building Control Surveyor)	Local Authority fee's	One off benefit per building of not undertaking measures	Approx N° of buildings caught by L Acts (per yr)	Assumed Baseline buildings still fitting measures	Buildings no longer fitting measures	Total one Off benefit
Tall	£116,334	£195,300	£23,176	£600	£1,366	£336,776	3	0.4	1.8	£606,197
Large	£6,969	£5,850	£208	£200	£1,366	£14,593	10	0.4	6	£87,560
Car parks	£16,620	£32,550	£0	£0	£0	£49,170	3	0.4	1.8	£88,506
Totals	£139,923	£233,700	£23,384	£800	£2,732	£400,539	-	-	-	£782,263

In the low scenario, the assumption is made that 40% of developers continue to install sprinklers and smoke extract.

The table below shows the total capital savings over 10 years of construction.

Type of building	Total one Off benefit	NPV over 10 years of construction
Tall	£606,197	£5,041,500
Large storage	£87,560	£728,200
Car parks	£88,506	£736,069
Totals	£782,263	£6,505,769

2.2 Calculation of maintenance savings

Following 10 years of construction, maintenance lasts for 25 years. A discount rate of 3.5% is applied for the first 30 years and of 3% for the remaining 5 years.

Type of building	NPV of Maintenance for first 30 yrs	NPV of Maintenance for remaining time	Total NPV of maintenance over lifespan of building
Tall	£70,919	-	£70,919
Large storage	£53,190	-	£53,190
Car parks	£0	-	£0
Totals	£124,109		£124,109

2.3 Total benefits

Capital savings plus maintenance savings

Type of building	NPV over 10 years of construction	Total NPV of maintenance over lifespan of building (20yrs)	Total PV Benefit (30 yrs)
Tall	£5,041,500	£70,919	£5,112,419
Large storage	£728,200	£53,190	£781,390
Car parks	£736,069	£0	£736,069
Totals	£6,505,769	£124,109	£6,629,878

3. High scenario 40 years (10 years construction including 9 years maintenance and 30 years maintenance only)

3.1 Calculation of capital savings

The table below shows the source of capital savings.

Type of building	Sprinklers	Smoke extract	Admin (inc preparation of application) where applicable	Local Authority Admin costs (Building Control Surveyor)	Local Authority fee's	One off benefit per building of not undertaking measures	Approx N ^o of buildings caught by L Acts (per yr)	Assumed Baseline buildings still fitting measures	Buildings no longer fitting measures	Total one Off benefit
Tall	£357,400	£600,000	£120,520	£850	£1,366	£1,080,136	3	0.25	2.25	£2,430,306
Large	£19,746	£16,575	£2,027	£350	£1,366	£40,064	10	0.25	7.5	£300,482
Car parks	£44,675	£87,500	£0	£0	£0	£132,175	3	0.25	2.25	£297,394
Totals	£421,821	£704,075	£12,2547	£1,200	£2,732	£1,252,375	-	-	-	£3,028,182

In the high scenario, the assumption is made that 25% of developers continue to install sprinklers and smoke extract.

The table below shows the total capital savings over 10 years of construction.

Type of building	Total one Off benefit	NPV over 10 years of construction
Tall	£2,430,306	£20,211,896
Large storage	£300,482	£2,498,992
Car parks	£297,394	£2,473,306
Totals	£3,028,182	£25,184,195

3.2 Calculation of maintenance savings

Following 10 years of construction, maintenance lasts for 25 years. A discount rate of 3.5% is applied for the first 30 years and of 3% for the remaining 5 years.

Type of building	NPV of Maintenance for first 30 yrs	NPV of Maintenance for remaining time	Total NPV of maintenance over lifespan of building
Tall	£217,318	£32,295	£249,613
Large storage	£149,406	£22,203	£171,609
Car parks	£0	£0	£0
Totals			£421,222

3.3 Total benefits

Capital savings plus maintenance savings

Type of building	NPV over 10 years of construction	Total NPV of maintenance over lifespan of building (30yrs)	Total PV Benefit (40 yrs)
Tall	£20,211,896	£249,613	£20,461,509
Large storage	£2,498,992	£171,609	£2,670,601
Car parks	£2,473,306	£0	£2,473,306
Totals	£25,184,195	£421,222	£25,605,416

4. Range of total benefits (NPV)

Scenario	NPV
Low	£6,629,878
Central	£15,139,901
High	£25,605,416

Annex 3

- Berkshire Act 1986, s36, 38 & 37.
- Bournemouth Borough Council Act 1985, s16, 18 & 17.
- Cheshire County Council Act 1980, s48 & 55.
- County of Avon Act 1982, s7.
- County of Cleveland Act 1987, s6.
- County of Kent Act 1981, s 51.
- County of Merseyside Act 1980, s50, 52 & 53.
- Cumbria Act 1982, s 23.
- Derbyshire Act 1981, s28.
- East Ham Act 1957, s61.
- Greater Manchester Act 1981, s 61, 64 & 65.
- Hampshire Act 1983, s11 & 13.
- Hereford City Council Act 1985, s17.
- Humberside Act 1982, s12.
- Isle of Wight Act 1980, s30.
- Leicestershire Act 1985, s49, 52 & 53.
- London Building Acts (Amendment) Act 1939, s 20 & 21.
- Poole Borough Council Act 1986, s 10, 15 & 14.
- South Yorkshire Act 1980, s53 & 57.
- Staffordshire Act 1983, s 25.
- Surrey Act 1985, s18 & 19.
- West Midlands County Council Act 1980, s44.