

# **Building Warrant Fees: Consultation**

**Analysis of consultation responses**

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# Executive Summary

A [public consultation on building warrant fees](#) ran between 21 July and 24 October 2023. Containing 12 questions, the consultation aimed to gather a broad range of public and stakeholder views on the suggested changes to the building warrant fee structure. In total, 95 consultation responses were received from 39 individuals and 56 organisations.

## Part 1 – Building Warrant Fees

Just under two thirds (65%) of all respondents agreed that building warrant fees should be increased to strengthen the building standards system in Scotland. Many suggested more funding through increased fees could ease current capacity and resourcing issues, and improve verification, compliance, and inspection services. Some presented caveats to their agreement, such as the need to ringfence additional funds for local authority building standards and verifier teams and guaranteeing better service levels. However, several respondents disagreed with the proposal due to their poor perceptions of the current building warrant application and verification process.

Overall, 70% of respondents agreed with using a proportion of building warrant fees to support a central Building Standards Hub. The most common reason for agreement was that it would improve nationwide consistency in the verification approach. Others suggested it would improve efficiency, provide access to technological advancements, assist with timely responses to evolving building requirements, and give verifiers nationwide access to training and knowledge. Several respondents who agreed with the proposal and some who disagreed or were neutral suggested different funding sources for the Hub, such as direct funding from the Scottish Government.

Enhanced verification and certification auditing was supported by three fifths (62%). Several respondents suggested this would maintain a high level of service, and others noted it would improve transparency and ensure that fees reached the building standards teams. However, there were concerns about the capacity and resources of local authority building warrant teams to handle the auditing and data collection. Some disagreed with the proposal, with a few individuals believing the current system functioned adequately and there was no need for change, while a few others argued that increasing fees would make building work too costly.

There was widespread support for the planned increases or adjustments for years two and three to be reviewed after year one, with 81% of all respondents in favour. Many respondents expressed their support in open comments, but did not provide further detail. Others agreed as it would increase transparency and ensure the higher fees positively impact the building warrant process. Several respondents, primarily local authorities, agreed with the proposal but disagreed with the timeline, suggesting that 12 months was not enough time to allow local authorities to make the changes necessary to improve services. Some individuals and organisations mentioned the importance of establishing clear criteria that would be used to judge and measure improvement over year one.

## **Part 2 – High Risk Buildings (HRBs)**

Four fifths of respondents (81%) supported the introduction of an enhanced fee for High Risk Building warrant applications, with support most commonly driven by a belief that these applications are more complex. Several supported the proposal because they felt it would ensure better oversight and an enhanced verification system for high risk buildings. Some others disagreed, arguing that high risk buildings tend to be larger and therefore already incur higher fees under the existing fee structure.

## **Part 3 – Building Standards Enforcement**

Three fifths (59%) agreed a portion of building warrant fees should be used to fund the local authority compliance enforcement role but only as it relates to the building warrant process. Many acknowledged that there must be a proportionate and adequately funded enforcement process and using a portion of building warrant fees was seen as a reliable and appropriate funding source. In contrast, several respondents argued that using a portion of fees for building warrant enforcement would be unfair to individuals or developers who comply with the building warrant process.

There was less support (33%) for using a portion of building warrant fees to fund local authorities' wider building standards' statutory role. It was commonly felt that this role, including dangerous and defective buildings, was separate from the building warrant application and verification process and should also be funded separately. In contrast, others thought that using a portion of building warrant fees in this way would provide additional funding for necessary enforcement and compliance work.

## **Part 4 – Devolved Building Warrant Fees**

There was widespread consensus that building warrant fees should be set at a national level; 88% felt this should be the case. Respondents commented that this would ensure consistent costs and service across the country and provide applicants with certainty about the costs they will face. Some respondents, mostly individuals, supported locally set fees as they could be more flexible to local circumstances.

## **Part 5 – Impact Assessments**

While many believed there would be no impact on people with protected characteristics or on socio-economic inequalities, a few queried the impact on building warrant fee exemptions for work to a building used by a disabled person. Respondents suggested the proposals could increase the financial burden on individuals and businesses wishing to undertake building work and increase the workload for building services.

## **Conclusions**

There was broad agreement with several of the proposed changes. Many argued they could lead to improved processes, oversight, and consistency between local authorities. This was especially true regarding the support for a portion of fees being used to fund a central Building Standards Hub and an enhanced fee for high risk buildings.

Respondents also noted concerns or points for consideration in some key areas. Throughout the consultation, respondents argued that any fee increase would need to be

accompanied by an improvement in the quality of services provided by local authority building standards teams. A frequently raised concern was ensuring that any additional funding generated from increased fees is directed back to local authority building standards teams to support their important work.

# 1. Introduction

## Background

Following the Grenfell Tower fire in 2017, the Scottish Government created a Ministerial Working Group to review building and fire safety regulatory frameworks. From this, two Expert Review Panels were created focussing on Compliance and Enforcement and Fire (Safety). They published their recommendations in two reports, which noted that while the core elements of the building safety system remained strong, other areas required reshaping to address weaknesses. One area of identified improvement was the building standards verification delivery model.

The Building Warrant Fees consultation has arisen from the work of the Building Standards Futures Programme Board. The Board was set up to provide guidance on recommendations made by the reports of the two expert panels. The remit for this consultation falls under the Verification Delivery Model work stream, one of the seven work streams directed by the Building Standards Futures Board. On the recommendation of the expert reports, this work stream will introduce a Building Standards Hub to support all 32 local authorities and the wider construction sector in Scotland. Fife Council is hosting a pilot Hub for two years to develop and test its role.

The broader suite of changes proposed to the verification delivery model will require more time and resources from local authority verifier staff. Therefore, there is a need to ensure sufficient funding is available for verifiers to prepare and undertake the additional work.

The consultation focuses on proposed changes to building warrant fees, not wider changes to the building standards system. The proposals in the consultation aim to:

- Increase the building warrant fee to ensure there is funding for building standards verifiers to support changes to strengthen the system.
- Put in place an annual uplift across all fees, initially for three years.
- Introduce a building warrant fees model that can be used flexibly in the future.

A [public consultation on building warrant fees](#) ran between 21 July and 24 October 2023. Containing 12 questions, the consultation aimed to gather a broad range of public and stakeholder views on each element of the suggested changes.

The Scottish Government will use the findings from the analysis to inform appropriate changes to the building warrant fees model and building standards verification delivery model.

## Respondent profile

In total, 95<sup>1</sup> consultation responses were received from 39 individuals and 56 organisations. Almost all were submitted via the online consultation platform, Citizen

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<sup>1</sup> One duplicate response was removed during the data cleansing process.

Space. Those received in an alternative format, for example, an email or PDF document, were uploaded to the Citizen Space by the Scottish Government for analysis.

Respondents were asked in the Respondent Information Form to classify their organisation from a pre-selected list of options. The analyst team reviewed these responses and agreed with the Scottish Government how respondents could be grouped for analysis purposes. The table below shows the number of each type of respondent and the percentage of the total sample each group represents.

Thirteen individuals classified themselves as designers/consultants. In the table below and the analysis presented in this report, these 13 individuals have been included in both the Individual and Designer/consultant categories.

	No. of responses	% of total sample
Individuals	39	41
Organisations	56	59
Local Authorities	28	61
Designer / Consultant	19 <sup>2</sup>	20
Contractor / Developer	18	19
Membership body / association	4	4

### **Analysis approach**

The Lines Between was commissioned to provide a robust, independent analysis of the responses to the public consultation. The primary purpose of consultation analysis is to understand the full range of views expressed, not to quantify how many people held particular views. This report provides a thematic analysis of responses based on the analysis approach outlined below.

### **Quantitative analysis**

There were 12 closed consultation questions. Each table in this report shows the number and percentage of responses to each question at a total sample level and broken down by individual and organisation responses. Please note that figures in the tables may not add to 100% due to rounding.

### **Qualitative analysis**

Qualitative analysis identifies the key themes across responses to each question. The research team developed a draft coding framework based on a review of the consultation questions and a sample of responses. During the coding process, new codes were created if additional themes emerged.

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<sup>2</sup> Includes 13 Individuals and 6 organisations who classified themselves in this way.

Where appropriate, quotes from a range of participants are included to illustrate key points and provide useful examples, insights and contextual information.

Reflecting the large number of people who took part, it is not possible to detail every response in this report. Full responses to the consultation, where permission for publication was granted, can be found on the [Scottish Government's consultation website](#).

In addition to the questions in the consultation paper, a further question – Q6 – was included at the end of the Citizen Space survey for respondents to make any additional points. One quarter left a comment at this question. Some comments provided background information about the respondent or their work, but most reiterated issues already raised in the consultation questions. To avoid repetition, where a theme was evident again at Q6 we have noted this at the most relevant point in the report.

### **Weight of opinion**

When reviewing the analysis in this report, we ask that the reader consider that public consultation of this kind means anyone can express their views; individuals and organisations interested in the topic are more likely to respond than those without a direct or known interest. **This self-selection means the views of respondents do not necessarily represent the views of the entire population.**

This report presents the themes identified in responses from most to least commonly identified. All themes, including views shared by small numbers of respondents, are covered; an insightful view expressed by a very small number of participants is not given less weight than more general comments shared by a majority.

Similarly, all responses have an equal weighting. We recognise this means a response from an individual has the same weight as a response from an organisation which may represent many members. This means there is no subjective interpretation of the relative weight or merit of one stakeholders' response over another; however any patterns in views expressed, for example, by organisation type, are highlighted in the analysis.

Qualitative analysis of open-ended questions does not permit the quantification of results. However, to assist the reader in interpreting the findings, a framework is used to convey the most to least commonly identified themes in responses to each question:

- The most common / second most common theme; the most frequently identified.
- Many respondents; more than 20, another prevalent theme.
- Several respondents; 10-19, a recurring theme.
- Some respondents; 5-9, another theme.
- A few / a small number of respondents; <5, a less commonly mentioned theme.
- Two/one respondents; a singular comment or a view identified in two responses.



## 2. Part 1 - Building Warrant Fees

Part 1 of the consultation provides an overview of the existing building warrant fees model. It explains the suggested changes to the buildings standards system and the different work streams identified by the Futures Board. Funding is needed to support the proposed changes, and two research projects that reviewed the income and levels of reinvestment from building warrant fees recommended a fee model that could adjust flexibly over a three year period.

This chapter analyses responses to questions that asked whether building warrant fees should be increased, whether a portion of the fees should be used to support a national Hub, whether there was support for auditing and monitoring the use of those fees.

Q1.1 Do you agree building warrant fees should be increased to strengthen the building standards system in Scotland?

	n=	% Strongly agree	% Agree	% Neither	% Disagree	% Strongly disagree	% No answer
All respondents (n=)	95	40	22	12	10	10	1
All respondents (%)	95	42	23	13	11	11	1
Individuals	39	33	10	23	18	15	0
Organisations	56	48	32	5	5	7	2
Local Authorities	28	82	18	0	0	0	0
Designer / Consultant	19	21	16	32	21	11	0
Contractor / Developer	18	0	56	6	17	17	6
Membership body / association	4	50	50	0	0	0	0

Just under two thirds (65%) of all respondents agreed with an increase in fees; 42% agreed strongly, and 23% agreed. All local authority respondents agreed (82% strongly), as did all membership bodies (50% strongly), and a majority of contractors/developers were in favour (56%). Views were more mixed among designers/consultants, with 37% agreeing, 32% neither agreeing nor disagreeing and 32% disagreeing.

### Resourcing and capacity concerns

Nine out of ten respondents answered the open element of Q1.1. The most prevalent theme in comments was that many agreed with the proposal as they felt additional fees would be needed to meet resourcing and workload capacity issues. Many respondents noted that local authority verifier teams are currently understaffed, and projects faced waits for approvals. With teams facing new and more challenging building standards, such as Passivhaus standards, respondents felt that a larger workforce would be needed, which could be funded by increased building warrant fees.

“Fees have not increased since 2017. In this time, changes in the Tech. Handbooks have resulted in an increase in the scrutiny of plans, an increase in training requirements, and greater interaction with applicants. The proposed changes through the Futures Board Work Streams will add to this workload which will not be covered by the existing fee structure.” – Local Authority

“Local authorities are understaffed and need to recruit. Delays in warrant approval frequently governs project programs.” – Individual

In Q6, the open question at the end of the consultation, some respondents including local authorities reiterated their overall support for increased fees to better fund the building warrant process. They argued that higher fees were needed to strengthen a system that currently operates at a loss.

“The estimated value of works for building warrants received by the City of Edinburgh Council in 2022/23 was just over £1.2billion. The fees from the building warrants validated during this period was less than 0.5% of this amount i.e. less the £5.2million. There will be very few working in the sector that could work with such low fee percentages as this. For the Building Standards profession to improve and build resilience to better serve our communities and better meet expectations, fees have to be increased.” – Local Authority

Others who were unsure about the proposal noted that even with increased fees there is a shortage in skilled staff with fewer people entering the building standards profession. This concern was reiterated in Q6 by some respondents. One local authority noted that while the consultation focused primarily on funding questions, there also needs to be consideration of the shortage of qualified employees.

### **Improvement to compliance and verification services**

Many respondents agreed with an increase in fees as they thought it would improve the verification, compliance and inspection services provided by local authority building standards teams. This would increase confidence in the system as a few respondents felt services had lacked rigour recently. The benefit of increased fees in ensuring well-functioning compliance and verification services was reiterated by a small number of respondents at Q6.

“There are also additional costs that verifiers have had to absorb such as 3rd party structural and fire engineering checks where a verifier cannot recover the cost - this could go some way to covering these costs allowing more investment in the service.” – Local Authority

“We agree, based on any increase improving the service provided by Local Authority Building Control Departments. On the majority of developments, we are not getting the regular stage inspections for all plots that we’d expect from the Building Control Officers (foundation, drainage, superstructure, completion). Increased fees should deliver improved inspection regimes.” – Organisation

“As a structural engineer and SER Certifier, my current experience of the building standards system in Scotland is that, over the last 5-7 years (and especially following COVID), the verification system has degraded quite significantly.” – Individual

### **Concerns about funding allocations**

Many respondents, several of whom agreed or strongly agreed with the proposal and some who felt neutral, argued that if fees were increased, it would be necessary to ringfence the funding to ensure the additional income generated is directed back to local authority building standards and verifier teams.

“The income we do raise from fees is meant to go back into training and funding [building standards], but instead, the majority goes back into the council’s pot, and we never see the benefits.” – Individual

Two respondents disagreed with the suggested changes, believing the money would not be fed back into the building warrant system.

A few respondents reiterated the importance of ensuring the funding reached the Building Warrants Teams at Q6.

### **Better service needed**

Among those who agreed with or were unsure about the proposal, the caveat that any increase in building warrant fees needs to be accompanied by better service was noted by several. Respondents called for consistency between local authorities where they highlighted service differed, and others asked for a standard minimum service level to be guaranteed when fees are paid.

“Not sure what the clients are getting based on current fees, therefore difficult to agree with increasing fees based on this opinion. Therefore, wouldn’t say there is much value for money for the clients, meaning often they wonder what they get for the application fee. Not all Councils are like this, but some are.” – Organisation

“Quality of service from building control is questionable. Increase in fees needs a tangible improvement in service quality.” – Individual

Some respondents disagreed with the increased fee as they argued that the current building warrant fee structure was excessive, with a small number adding that the high cost of fees yielded poor service. They were unsure how increased fees would improve service.

### **Critique of the application and verification systems**

Several respondents disagreed with the proposal. The most common reason for disagreement was due to poor perceptions of the current building warrant application and verification process. This included critiques of the verification system, specifically outsourcing work to designers to check the work of other designers.

“It is farcical that we have local authorities checking the work of qualified professional designers, who carry [Professional Indemnity] insurance for their work. What is even more farcical is that some local authorities contract this work out, so professional designers are being paid to check the work of professional designers. Indeed, the presence of BW approval is absolutely no mitigation in the event that there is a design flaw. It is an utterly pointless check which carries no weight apart from LA approval processes.” - Organisation

Q 1.2 Do you agree that a proportion of the building warrant fee should be used to support a central Building Standards Hub?

The Building Standards Hub was conceived to support the building standards system with additional resilience and consistency, including enhanced regional partnerships. Currently, a central Building Standards Hub is in a two year pilot phase, hosted by Fife Council.

	n=	% Strongly agree	% Agree	% Neither	% Disagree	% Strongly disagree	% No answer
All respondents (n=)	95	32	34	14	5	9	1
All respondents (%)	95	34	36	15	5	9	1
Individuals	39	23	31	18	10	18	0
Organisations	56	41	39	13	2	4	2
Local Authorities	28	46	39	11	4	0	0
Designer / Consultant	19	26	21	26	11	16	0
Contractor / Developer	18	33	44	11	0	6	6
Membership body / association	4	50	50	0	0	0	0

Overall, 70% of respondents agreed with using a proportion of building warrant fees to support a central Building Standards Hub; 34% strongly agreed, and 36% agreed. A majority of most types of respondents agreed, except for designers/consultants, where 47% agreed to some extent, while 27% disagreed and 26% were neutral.

Over four fifths commented in the open element of Q1.2. Many comments, however, focussed on the perceived benefits of the Hub rather than explicitly explaining why a portion of building warrant fees should be used to fund it. Based on the closed question responses, the implication is that a portion of fees should be used to realise those benefits. A small number reiterated their support for the Hub at Q6. All responses are included in the following analysis.

### Improves consistency

The most common theme was agreement that a proportion of the building warrant fee should be used to support a central Building Standards Hub as it would improve nationwide consistency in the verification approach.

“Responses from different local authority verifiers vary significantly both in procedures and specific technical answers across Scotland. It would be beneficial for the industry as a whole to get a central resource that can support the individual verifiers to provide consistent quality advice and responses.” – Individual

Most respondents making this point did not elaborate. However, those who did commented that different local authority areas apply the standards differently, which can make submissions more difficult and take longer to get approval. Respondents suggested a coordinated approach would be appreciated.

“We strongly agree that a proportion of the building warrant fee should be used to support a central Building Standards Hub. Establishing a central Building Standards Hub addresses a pivotal recommendation from the post-Grenfell Tower fire reviews. Such a hub promises to streamline and centralise expertise, guidance, and resources, thus facilitating consistent and high-quality building standards across Scotland. With 32 local authority verifiers, a central hub can act as a hub for best practices, research, and continual upskilling.” - Organisation

It was also suggested that, by being a consolidated body, a Building Standards Hub could efficiently address challenges, harness technological advancements, and provide timely responses to evolving building requirements. Given the complexities and rapid advances in construction methods, materials, and technologies, it was felt that the industry could benefit from having a focal point to turn to for advice, training, and direction.

### **Alternative funding sources**

Several respondents who agreed with the proposal and some who disagreed or were neutral suggested different funding sources for the Hub. It was frequently suggested that the Scottish Government should provide at least some funding.

“The Hub will primarily be supporting verifiers so they should contribute towards the costs. Much of the work taken on by the Hub from LABSS could be argued as being within the BSD remit and therefore funding should also come from central government.” – Local Authority

Some contractors/developers felt the additional fees already paid via the Scottish Type Approval Scheme (STAS) should be recognised. As this benefits the verifiers and the application process, some suggested there should be a building warrant fee discount.

“Developers do, however, currently pay additional fees to STAS for their house range 'TYPE' approvals. [We] believe that any increase in building warrant fees should recognise the benefits to Local Authority verifiers of TYPE approval, and that developers that have this in place should be granted a discount to each site-specific Warrant Application.” – Organisation

While they agreed with the proposal, one local authority provided specific recommendations on how the money should be allocated, including regular reviews about

any changes to the budget or staffing of the Hub and ringfencing fees to pay for verifier positions and not general Hub overheads.

Another local authority stated that the Hub should be funded proportionately between local authority areas based on profits from fee incomes and the volume of applications received.

### **Improves training and access to information**

Improved access to training and information via the Hub was mentioned by several as a reason they agreed with the proposal. These respondents noted that the Hub would allow for shared experience across local authorities and allow verifiers to seek expert input on more complex applications. The benefit to smaller councils that may have less staff and experience was mentioned by a local authority.

“Being able to draw on specialist knowledge is extremely important to smaller Local Authorities, who often have to rely upon expensive third-party specialists. Providing training, in a standardised way, to increase the professionalism of staff across Scotland should also be supported. Any financing by Local Authorities would need to be proportionate to the fee income and be financed by part of the fee increase.” – Local Authority

### **Improved efficiency**

Improvements to the efficiency of the verification process were mentioned by several. Some thought the Hub would improve workload and capacity issues which have created a backlog in the system. Others described the benefits that greater digital streamlining would have to the way the process works.

### **Reasons for disagreement**

Several respondents disagreed that a portion of building warrant fees should go toward funding the Hub. The reasons for their disagreement, in order of prevalence, were:

- Concerns about the funding allocation, specifically that a £1 million budget for the Building Standards Hub is too high for the service being offered.
- A small number argued that building warrant fees are already too high and disagreed with a further increase.
- Two respondents suggested that more control should be given to local authorities on how to use building warrant fees.
- There was a dislike of the move toward centralisation, which two respondents thought reduced the quality of service.
- Two respondents disagreed with the proposal but did not provide further details.

“£1m per annum is a crazy annual budget for a process of centralising elements of building control for all 32 local authorities. The pilot seems have the purpose of trying to establish what services a centralised HUB could provide? Surely that is the cart before the horse... the services should have been identified and the pilot should have been to trial the process.” - Organisation

## General agreement

There was general agreement with the proposal from some participants who noted that the Hub must be funded, and a share of the building warrant fees would be an appropriate source of those funds.

## Requests for further clarification

Some respondents asked for further information about the Building Standards Hub and what it would offer before feeling able to comment on the question. A local authority agreed with the proposal but asked for more detail about the percentage of each local authority's fees that would be directed to the Hub.

Q1.3 Do you support the introduction of enhanced verification and certification auditing, monitoring and reporting of fee investment to support the implementation of the strengthened building standards system over the next 3 years?

	n=	% Yes	% No	% Not sure	% No answer
All respondents (n=)	95	59	9	26	1
All respondents (%)	95	62	9	27	1
Individuals	39	41	18	41	0
Organisations	56	77	4	18	2
Local Authorities	28	86	0	14	0
Designer / Consultant	19	42	16	42	0
Contractor / Developer	18	67	6	22	6
Membership body / association	4	100	0	0	0

Overall, three fifths (62%) supported the proposal, one in ten (9%) were opposed, and one quarter (27%) were unsure. Levels of support varied considerably by type of respondent. Individuals were less supportive than organisations (41% and 77% respectively). Among organisations, support ranged from all membership bodies and 86% of local authorities to 67% of contractors/developers and 42% of designers/consultants. However, where support was lower, this was due to respondents being unsure rather than opposed.

## General agreement with the proposal

Of the two thirds who commented in Q1.3, there were two common themes, each mentioned by several respondents. The first was general support for introducing enhanced verification and certification auditing, monitoring, and reporting of the fee investment over the next three years. Respondents felt that transparency was important, especially with publicly generated fee incomes, and that the steps outlined in the consultation paper were essential to ensure continued service improvement.

“It is only right that the use of publicly generated income is monitored and checked, especially in this case given past evidence of non-allocations, to ensure the correct allocation of funds to building standards frontline services.” – Individual

### **Concerns about workload, capacity, and resourcing**

Another equally common theme was concern about the workload, capacity and resourcing of local authority building warrant staff. Respondents expressed concerns that there are insufficient trained staff to support the proposed changes, regardless of increased investment. A few noted staff are currently overworked, negatively impacting performance standards.

“Staffing issues and work morale within the sector impact on building standards performance. The existing building standards professional duties already cover a wide aspect of job roles and should be recognised for its skill set. Due to the current requirement to meet [Key Performance Indicators] and the existing [Construction Compliance and Notification Plan], it is unclear how the Scottish Government are proposing to add additional workload onto an already strained building standards profession?” – Individual

Others emphasised that while they supported the proposal, undertaking further auditing could be an additional burden placed on staff and heightening capacity strains.

“Verifiers should be subject to auditing and monitoring, so long as this does not result in a continual large use of resource for the verifier to meet the audit requirements.” – Local Authority

“The burden of additional data collection is something that should be considered carefully as sometimes it takes significant time to produce the data required and takes away from the day-to-day job.” – Local Authority

### **Requests for further clarification**

Some respondents, a mix of individuals, contractors/developers and local authorities, requested further details about the proposal before they could provide a definitive view.

### **Support for continued auditing after the three years**

The need for indefinite auditing and monitoring was highlighted by some contractors/developers, who suggested it would maintain a high level of service.

“[We] suggest that any enhancements in audits, monitoring and reporting should not stop after 3 years, and should be part of the provision of a high-quality service.” – Organisation

### **Transparency over funding allocation**

Some respondents agreed with the proposal as they felt the auditing and monitoring would provide reassurance that the fee reached the local authority building standards teams and would be ringfenced to reinvest in and support those teams.



“It is important that fee income through the building standards system is monitored and reported to ensure that it is being correctly invested in building standards services.” – Local Authority

### **Data publicly accessible**

Data transparency was mentioned by some organisations. Contractors/developers and membership bodies were interested in accessing the data to ensure fee funds were being used correctly. In contrast, local authority responses focused on using transparent data to prove to Scottish Ministers and the public that the fees were being used as claimed.

“The introduction of enhanced monitoring/reporting would assist building standards services as the auditing of the fee investment will require to demonstrate and validate to Ministers that this is in practice being used to support and strengthen the system rather than being redirected elsewhere within the authority.” – Local Authority

### **Reasons for disagreement**

Some respondents disagreed with the proposal. A few individuals believed the current system functioned adequately and there was no need for change, while a few others argued that increasing fees would make building work too costly. One individual noted that the process was already bureaucratic and thought adding more consultation and expert reports would make building warrant approval even more challenging to obtain.

### **Other suggestions**

The following suggestions were each mentioned by one respondent:

- Building Standards Division is using the wrong Key Performance Indicators, and that: “it may be beneficial if records were kept of the points being raised through the verification process which stops non-compliance by unsuitable applications”.
- Inflation in the building sector will increase fee generation regardless of the fee change.
- One organisation supported the proposal as a way of futureproofing and “ensuring building standards systems remain agile and responsive”.
- Another organisation suggested a different audit method by using an ‘approved designers’ list, with members on the list subject to annual audits. If they pass the audit, their building warrant fees are reduced.

Q1.4 Do you agree that, before any planned increases or adjustments to building warrant fees in the second and third year, progress should be reviewed against suitable criteria towards the planned outcomes?

	n=	% Yes	% No	% Not sure	% No answer
All respondents (n=)	95	77	7	10	1
All respondents (%)	95	81	7	11	1
Individuals	39	72	8	21	0
Organisations	56	88	7	4	2
Local Authorities	28	93	4	4	0
Designer / Consultant	19	84	5	11	0
Contractor / Developer	18	78	11	6	6
Membership body / association	4	100	0	0	0

There was widespread support for this proposal, with 81% of all respondents in favour, including 72% of individuals and 88% of organisations. While support was lower among individuals, this group tended to be unsure (21%) rather than opposed (8%).

**General agreement with the proposal**

The most common theme among the almost three quarters of respondents who commented in Q1.4 was agreement with the proposal. Many respondents agreed with the approach but did not elaborate on why.

Several respondents agreed due to the increased transparency it could provide over the use of building warrant fees. Respondents highlighted the importance of accountability in the process, and some mentioned that reviews would allow for an examination of how efficiently the system is running and how consistently the standards are applied.

“Regular reviews promote accountability and transparency. Stakeholders, including those in the construction sector and plumbing and heating profession, need assurance that financial contributions lead to the desired improvements in the building standards system. By reviewing progress, the industry can ensure that funds are allocated efficiently and that the intended initiatives are progressing as envisioned.” - Organisation

“I want to see project reviews to reveal whether the standards are being applied thoughtfully and consistently to projects.” - Individual

**Ensuring positive impact**

Ensuring the increased fees positively impact the building warrant process was mentioned by several individuals and organisations. Respondents noted that reviewing the increased fees after 12 months would show whether those increases were linked to tangible

improvements in the application and approval processes. Respondents believed that was necessary before committing to increased fees over three years.

“It would need to be established that the fee increases are being used for the intended purposes and are achieving the intended results. This should be done prior to further increases. Clarification would need to be given on what criteria progress would be reviewed against.” – Local Authority

### **Timescales**

Several respondents, primarily local authorities, agreed with the proposal but disagreed with the timeline, suggesting 12 months was not enough time to allow local authorities to make the changes necessary to improve services. These changes included hiring and training more staff, which may take longer than a year to affect change.

“For the intended improvements noted in 1.1 above to be delivered it is key that incomes are correctly invested as intended at the front line. However, the ongoing workforce shortages, pressures to make savings across the board and the slow uptake on the MA course will not have been turned around in this 2–3-year period. There is a risk that this short time scale may prove difficult to achieve in this climate and, in some circumstances, may lead to a service failure. [We] believe that a more realistic extended timescale would lead to a more achievable outcome whilst at the same time allowing for suitable scrutiny of investment criteria.” – Local Authority

### **Clear, achievable criteria**

The importance of the criteria used to judge and measure improvement over the 12 months was mentioned by some individuals and organisations. Respondents noted that the assessment after the first year should be based on clearly defined criteria, which will provide evidence of change over time. A local authority noted the importance of defined criteria to ensure stakeholders and customers have realistic expectations about what changes can be expected from increased fees.

“Regularly reviewing progress against established criteria will allow for the effective evaluation of outcomes and the identification of any necessary adjustments or refinements to the plan. It promotes transparency and accountability, ultimately benefiting all stakeholders involved in the building standards system in Scotland. We support this proactive and responsible approach to fee adjustments.” – Local Authority

### **Less commonly mentioned themes**

A small number mentioned the following themes in order of prevalence:

- A few requested greater clarity on what would be included in the criteria.
- Comments related to the fee increases were mentioned by a few. These included suggestions that fees should be applied on a sliding scale and gauged against the number of building warrant applications. An organisation suggested that “any upgrades needed for the industry should be borne partially by the industries.”

- Two disagreed with the proposal but did not provide further information.

### 3. Part 2 - High Risk Buildings (HRBs)

Part 2 of the consultation paper outlines the proposed introduction of the High Risk Buildings (HRB) fee structure. High risk buildings are defined as domestic or residential buildings with any storey at a height of more than 11 metres above the ground, education establishments, hospitals and residential care buildings. Research suggested that the current building warrant fee structure should be revised to allow an enhanced fee for high risk buildings to cover the additional costs of ensuring compliance.

Q2.1 Do you support the introduction of an enhanced fee for High Risk Building warrant applications?

	n=	% Strongly support	% Support	% Neither	% Do not support	% Strongly do not support	% No answer
All respondents (n=)	95	42	35	7	3	4	4
All respondents (%)	95	44	37	7	3	4	4
Individuals	39	38	28	13	5	8	8
Organisations	56	48	43	4	2	2	2
Local Authorities	28	71	29	0	0	0	0
Designer / Consultant	19	32	32	21	0	11	5
Contractor / Developer	18	6	72	6	6	6	6
Membership body / association	4	75	25	0	0	0	0

Four fifths of respondents (81%) supported the introduction of an enhanced fee for High Risk Building warrant applications; 44% strongly supported and a further 37% supported the proposal. Among organisations, 91% were in favour, with 48% strongly supporting the proposal. While a majority of all organisation types were in favour, the strength of support varied from 75% of membership organisations and 71% of local authorities strongly supporting the proposal, compared to 32% of designers/consultants and only 6% of contractors/developers.

#### Complex applications should have a higher fee

Around two thirds of respondents commented in Q2.1. The most common theme, mentioned by many, was support for an enhanced fee for high risk buildings as their applications are more complex. Respondents acknowledged that high risk buildings also required additional inspections and enhanced service.

“HRB applications require significant resources and expertise, in addition external third party consultants may be required. These additional costs incurred with HRB applications should be reflected in the application fee paid.” – Local Authority

## Support for better oversight

Several respondents, both individuals and organisations, supported the proposal because they felt it would ensure better oversight and an enhanced verification system for high risk buildings. A few specifically highlighted Grenfell, noting that changes must be made to ensure a similar tragedy is not repeated.

“There must be oversight to ensure the Grenfell type disasters cannot happen again. This should involve a 'hands on' approach by planning and building control officers and should not just become a rubber stamp situation for builders to progress without adequate checks and safeguards. This is where an expert led approach to decide on suitable, safe alternatives that can be used should be adopted. All council officers MUST ensure that the correct materials are used and not just accept the word of the builders. This would entail multiple site visits and councils must ensure they have sufficient trained staff to complete all necessary checks.” - Individual

## Ringfenced funds

Ensuring the increased fees are allocated to the appropriate local authority building standards staff was mentioned by some. These respondents were mostly contractors/developers or membership bodies. A few others suggested they would support the proposed changes if the quality of service they received from verifiers improved.

“Yes as long as the additional fee is used solely to support the high risk specific building assessment.” – Organisation

## Current fee structure should be sufficient

Some respondents disagreed with the proposal. Two respondents disagreed without providing more detail; however, some others disagreed as they argued that high risk buildings often already incur higher fees under the existing fee structure because they are typically larger and more expensive buildings.

“I can see that this would take more time to assess but the fee is larger. There are plenty of easy warrants for every difficult one” – Organisation

“High risk buildings are still buildings with standards to follow. Enhanced fees are an excuse, the fee based on cost should be sufficient to cover the application.” - Individual

## Less commonly mentioned themes

The following points were each raised by one respondent:

- An organisation noted that an enhanced fee may be unnecessary if the Compliance Plan Approach is required for high risk domestic buildings. This would require companies to use an Independent Compliance Plan Manager for regular inspections, reducing the burden on local authority verifiers.
- A local authority noted their support with “the caveat that any third party checking for fire engineering should be borne by the applicant”.

- The inclusion of additional calculation checking fees for projects that do not include a Certificate of Design for Section 1 and 5 was requested by one organisation.
- A concern about the impact the proposal on the level of insurance cover required by architects was raised by one individual.
- Another individual requested regular inspections, every four years, to ensure there have been no compromises to the high risk building fabrication after receiving the warrant.
- Rather than higher fees for high risk buildings, one individual suggested there should be consideration for higher fees in environmentally sensitive areas, although they did not provide any further detail.

## 4. Part 3 – Building Standards Enforcement

Part 3 of the consultation explored two possible ways to use building warrant fees. These were using a portion of fees to fund compliance enforcement related to the building warrant process, or to fund local authority building standards' wider statutory role covering both building warrant compliance enforcement and dangerous and defective buildings. The perspectives expressed on these two options is presented in this chapter.

Q3.1 Should a portion of building warrant fees be used to fund the local authority compliance enforcement role but only as it relates to the building warrant process

	n=	% Yes	% No	% Not sure	% No answer
All respondents (n=)	95	56	20	17	2
All respondents (%)	95	59	21	18	2
Individuals	39	56	23	21	0
Organisations	56	61	20	16	4
Local Authorities	28	64	14	18	4
Designer / Consultant	19	58	26	16	0
Contractor / Developer	18	50	28	17	6
Membership body / association	4	75	25	0	0

Overall, three fifths (59%) supported this proposal, one fifth (21%) were opposed, and one fifth (18%) were unsure. Broadly similar results were recorded across all types of respondents, though support was higher among local authorities (64%) and lower among contractors/developers (50%).

### Provides a source of funding

Two thirds of respondents provided an open comment in Q3.1. The most prevalent theme was that there must be a proportionate and adequately funded enforcement process, and that a portion of building warrant fees would be a reliable and appropriate funding source. Organisations, in particular local authorities, expressed this view.

The time spent by verifiers on the building warrant enforcement process was noted by some, who called for this time to be accounted for in building warrant fees. This included inspection visits to ensure work is being done to the approved design, and a few also highlighted their soft enforcement activities and the need for these to be funded. A few suggested using a portion of fees to fund compliance enforcement should or could lead to greater consistency in building standards across Scotland.

“This is a hugely important area of resource allocation. It MUST be understood that the verifier currently expends a lot of time on building warrant process enforcement which is not currently reflected in the current fee model.” - Individual

“Compliance enforcement is technically a local authority role and is included in the GAE [Grand Aided Expenditure] payment. However, there is a great deal of soft enforcement work done avoiding the need for formal enforcement. This level of engagement with applicants, agent and contractors should be paid for by the warrant fees.” – Local Authority

“[We] believe that a portion of the fee income should be used for this purpose. Enforcement is an essential but very time-consuming process and in current practice is solely funded through fee income and not GAE. It would lead to a more consistent and uniform approach if this can be recognised and designed to be funded from fee income moving forward.” – Local Authority

Some noted that their support was only for building warrant enforcement – for example, works carried out on a building without warrant approval – and not for wider statutory obligations, which are addressed in Q3.2. However, a small number argued that a portion of fees should cover all enforcement.

“The fees should pay for the entire cost of the statutory building standards service, including all responsibilities related to enforcement. Regardless of whether a warrant is involved, each aspect of enforcement is mandated by legislation and needs to be supported appropriately. We must have a clearer way or explanation of how they are to be funded if the verification fees are not sufficient to pay all enforcement activity.” – Organisation

Two contractors/developers agreed with the approach but called for greater cooperation between building standards and developers, e.g. providing additional advice and guidance about increasingly complex regulations and feeding any learnings back to housebuilders. One organisation suggested that using a portion of fees in this way should improve service levels.

“Yes, we support building warrant fees can be used to fund the local authority compliance enforcement role if they are improving the quality of service being provided in the building warrant process. We support the increase in fees if it relates to addition in resourcing and training to provide quality and timely services.” – Organisation

### **Unfair on those who follow the rules**

Several respondents, including individuals and organisations, argued that using a portion of fees for building warrant enforcement would be unfair to individuals or developers who comply with the building warrant process. Most respondents in this theme opposed the proposed approach for this reason; however, a few supported the approach but noted that this should be a consideration.



“This would seem to be a 'tax' on those customers who carry out the work in compliance with the building warrant - why have applicants who do everything as they should be paying more in fees just to cover a LA costs in dealing with enforcement - this should be charged solely against the offending party.” – Local Authority

“We believe that resources required to enforce non-compliance issues should not be paid for through building warrant fees. It should instead be funded by the Local Authority through other means of by companies/persons responsible for the non-compliance. Higher costs to any developer often result in higher costs to the home purchasers. Developers/New Home Purchasers should not be penalised with greater costs for those that choose not to comply with building standards.” – Organisation

“Unsure as to whether the building warrant fees is the most appropriate mechanism for funding all enforcement. Perhaps it should part fund initial administration processes/register etc but individuals who require the enforcement should really be the main target in terms of fees. Enforcement fees based entirely from the building warrant process may result in penalising those who comply with the requirements of the legislation.” – Local Authority

### **Must be clearly defined and transparent**

Ensuring a transparent and effective allocation of fees was noted by some respondents, mostly local authorities, who either supported or were unsure of the approach. It was argued that the use of fees should be clearly defined and monitored to ensure that money intended for enforcement is not used to fund other local authority services. One individual argued that the portion of fees assigned to enforcement should be capped and reviewed annually, and not viewed by local authorities as a way to generate income. A local authority noted their reservations about the proposal, asking for further clarification on how funds would be allocated and how the allocation would lead to improved enforcement consistency.

“It would require careful consideration to ensure any money attributed to enforcement actually goes to serve this purpose and not diverted to other parts of the local authority and therefore not supporting the intended purpose.” – Local Authority

“Firstly, it is essential that the allocation of funds to enforcement duties is clear and transparent. Without a clear and well-defined mechanism for ringfencing these funds, there is a risk that they may be diverted to other purposes, potentially undermining the intended improvement in enforcement.” – Local Authority

### **Other themes**

Some respondents, mostly individuals, agreed with the suggested approach and commented on the importance of building warrant compliance and enforcement to prevent poor quality building work and ensure public safety.

Other funding sources were suggested by some. These included that enforcement costs should be covered by Grand Aided Expenditure (GAE), by separate fees for additional interventions such as for maintenance at sports grounds, or by a fee penalty system for additional inspections and guidance, particularly where work has been undertaken that is not in line with approved plans. A small number either stated that enforcement is already funded as per the question or questioned why this is not currently the case.

Two contractor/developers argued that any portion of building warrant fees used for additional compliance would also need to result in improved service levels from building standards teams. One individual called for the Scottish Government to have sole responsibility for enforcement as they felt local authority staff did not have the skills to manage a legal process.

An organisation argued for a different approach, which was endorsed by a small number of other contractors/developers. However, it was noted that this would require a change to legislation. One local authority also added that legislation supporting enforcement is ‘cumbersome and overly complicated to administer’, often resulting in non-compliance being ignored or overlooked.

“Compliance is a much debated subject, and it is [our] opinion that compliance oversight should be the responsibility of the Local Authority/Building Control team. This will ensure that verified designs are built on site. A change would be needed to current legislation in order to ensure compliance for bringing Local Authorities/Building Control into scope.” – Organisation

One individual suggested that the rise in unauthorised work highlighted the need for a national campaign to advise people of the requirement to get a building warrant.

**Q3.2 Should a portion of building warrant fees be used to fund the local authority building standards wider statutory role covering both building warrant compliance enforcement and dangerous and defective buildings?**

	<b>n=</b>	<b>% Yes</b>	<b>% No</b>	<b>% Not sure</b>	<b>% No answer</b>
All respondents (n=)	95	31	46	16	2
All respondents (%)	95	33	48	17	2
Individuals	39	38	44	15	3
Organisations	56	29	52	18	2
Local Authorities	28	36	39	25	0
Designer / Consultant	19	42	47	11	0
Contractor / Developer	18	0	78	17	6
Membership body / association	4	50	50	0	0

One third (33%) supported this proposal, while 48% were opposed and 17% were unsure. Contractors/developers held much stronger views than other types of respondent, with 78% opposed and none in favour, with 17% unsure.

### **Should be considered and funded separately to building warrant process**

Just over three quarters of respondents commented on Q3.2. The most prevalent theme in responses was that local authorities' wider building standards' statutory role, including dangerous and defective buildings, is separate from the building warrant application and verification process and should be funded separately. However, this theme encompassed multiple related strands of comments.

Several respondents, mostly local authorities, stated that statutory building standards work should be funded separately from any building warrant verification work. A few elaborated, stating that statutory activities take up a significant proportion of staff time and that using a proportion of fee income would unlikely cover the full cost of this work.

“Funding for the wider non-verifier role of building standards should be separate from [building warrant] fees. This is a major part of the building standards workload.” – Local Authority

“The cost of enforcement, particularly on dangerous buildings, can be significant, and it could take a significant portion of any fee increase to adequately fund a system. That could overburden the warrant fee scales. Many authorities also have limited involvement in such matter and therefore spreading the cost generally across the fee system also would not adequately fund those with a significantly higher involvement.” – Local Authority

More specifically, some contractors/developers commented using the same or similar wording that: “Dangerous and defective buildings should be under the remit of another department outwith Building Control Compliance.”

Another prevalent theme was that the building warrant fee should only be used for the building warrant verification process because doing otherwise would mean law-abiding applicants were unfairly paying to address issues they were not responsible for. Several respondents, including both individuals and organisations raised this.

“As I understand, this role falls out with the verification role and is already funded through a central government grant. I would expect this to remain the case, and local authorities use every penny of my fees on my projects and not on those who require enforcement action. Why should I pay for enforcement of other people's poor work?” - Individual

“We would suggest that funding is required but that it should come from other central sources. The dereliction of buildings or the damage to buildings from unforeseen events is not the fault of the user of the building standards warrants system.” – Local Authority

Several respondents also suggested that any additional funding for statutory activities should be generated from fees or charges levied on those who are subject to enforcement or the owners of dangerous and defective buildings. A small number argued that this should reflect the time required for these activities.

“A warrant application is for a specific purpose. Dangerous buildings should not be subsidised by applications. All buildings have owners; charge them.” – Individual

“Local authority costs associated with dangerous and defective buildings should be recovered from the owners of the buildings concerned. These costs should include a premium to cover pre-emptive action by local authorities.” – Organisation

“Dangerous/defective/enforcement should be or has more impactful and fair impact if funded from their own fees. Perhaps a portion of the fee should specifically be used to maintain procedural elements of the above such as maintaining the Dangerous and Defective buildings register, providing guidance and advice, website activities, statistical information, maintaining adequate resources to the general tasks etc but other ‘top up’ fees should be gained directly from those who are failing to adhere to the legislation involved.” – Local Authority

### **Would provide additional funding for statutory activities**

Conversely, the next most prevalent theme in comments was that using a portion of building warrant fees in this way would provide additional funding for necessary enforcement and compliance work. Some respondents stated this would provide a valuable funding source for time and resource-intensive work. A local authority noted, however, that councils will have different volumes of enforcement work, meaning that some will benefit more financially than others from this approach.

“The full cost of the statutory building standards Service, including all enforcement tasks, should be covered by the fees. All aspects of enforcement, as part of a warrant or not, are statutory and require to be funded accordingly. If the verification fees do not cover all enforcement activity, a clearer method or explanation of how these are to be funded is required urgently.” – Local Authority

Some respondents, including two local authorities, agreed that the proposal could be useful as local authorities face increased enforcement costs. This was attributed to various issues, including more old buildings, poorly constructed buildings and absent owners.

“I think that, from a responsibility and sustainability [point of view], we will be faced with an ever-increasing number of old and defective buildings which require constant maintenance. Therefore, I would agree with raising the fees to a level that allows for a significant level of pro-active assessment of dangerous and defective buildings.” - Individual

A few respondents reflected more broadly on the importance of building safety and, therefore, the need for effective enforcement. For example, the one organisation supported some building warrant fees funding the wider statutory role as this would: ensure public safety, ensure funds are available for both pro-active and reactive building standards work, and act as a deterrent and ensure better initial compliance.

### **Up to local authorities to decide**

A small number agreed with the suggested approach, commenting that local authorities should be able to choose how they want building warrant fees to be used, or that they would have no objection to this happening. Conversely, a few individuals were opposed as

they argued that local authorities should be able to fund their statutory roles from their existing budgets if these were managed properly.

**Must be clearly defined and transparent**

As in Q3.1, some respondents – mostly local authorities – were unsure how the approach would work in practice. They suggested that, if implemented, the portion of fees used for statutory activities should be allocated transparently and ringfenced for that purpose. Two respondents commented that it was difficult to consider without knowing the level of enforcement currently being undertaken.

## 5. Part 4 – Devolved Building Warrant Fees

Part 4 of the consultation asked respondents whether building warrant fees should be set nationally or locally. The fees are currently set nationally; however, expert research found that no specific factors would make introducing a devolved system inherently difficult.

### Q4.1 Should building warrant fees be set at national or local level?

	n=	% National	% Local	% Not sure	% No answer
All respondents (n=)	95	84	8	2	1
All respondents (%)	95	88	8	2	1
Individuals	39	82	15	3	0
Organisations	56	93	4	2	2
Local Authorities	28	100	0	0	0
Designer / Consultant	19	100	0	0	0
Contractor / Developer	18	78	11	6	6
Membership body / Association	4	100	0	0	0

There was widespread consensus that building warrant fees should be set at a national level; 88% felt this should be the case, with 8% favouring the local level. Support for setting fees at a national level was clear across all types of respondents, with all organisations in favour except for a small number of contractors/developers. Four fifths (82%) of individuals also favoured this option.

#### National fees create consistent costs

The most common theme in responses to Q4.1, raised by just under half of respondents, was that building warrant fees should be set nationally to ensure consistent costs across the country and provide applicants with certainty about the costs they will face.

“I should pay the same fee regardless of my locality, as I'm expecting the same service regardless of where the project is. This is also going to be confusing for national clients.” – Individual

“Everyone has to comply with the same technical standards, so why would fees be higher in different areas” – Individual

Respondents noted that the current structure works well and questioned whether changing something that is functioning effectively would add more work for the Scottish Government, local authorities, and applicants.

“The report does not list a single advantage/positive from introducing devolved fees. Devolved fees may make it more difficult to calculate a verifier’s proportion of Hub fees and it would require a level of scrutiny from the [Scottish Government’s Building Standards Division] to oversee the fees set by a verifier. This is not an existing function of the BSD so it would add an unnecessary workload and another level of bureaucracy.” – Local Authority

### **National fees ensure a consistent service**

Many noted that national fees were important to keep the service consistent across the country. Respondents argued for national consistency across all aspects of the building warrant process to ensure applicants had the same experience regardless of where an application was submitted.

“We strive for a national standard, with national interpretation of regulations.” – Individual

“Quality and standards: A nationally set fee structure can ensure consistent service quality across all regions. This prevents regions from potentially undercutting fees at the expense of the quality of service.” - Organisation

### **Other reasons to support national fees**

Other reasons for supporting national fees were provided by several respondents. These included from most to least prevalent:

- Some individuals and local authorities suggested that some local authorities may increase fees to generate income, but without ensuring the fees reach the building standards teams.
- A few respondents, mostly local authorities, advocated for nationally set fees as this provides transparency in the fee assessment and is a way to measure the efficacy of different authorities’ approval procedures.
- A few respondents noted that locally set fees would make cooperative working between verifiers more challenging.
- One individual suggested that if costs for local authorities are greater in specific areas, there should be grants from the Scottish Government to help offset those costs.

### **Support for local fees**

Some respondents supported setting building warrant fees locally. While two organisations agreed, most support came from individuals. Respondents suggested that there would be more flexibility if fees were set locally. Others noted variations across local authority areas, such as different costs for materials, costs of work and different economies that impacted building capacity and timescales. These respondents did not explicitly say how locally set fees would alleviate these differences.

One individual suggested that centralised procedures produced more bureaucracy.



## 6. Part 5 – Impact Assessment

The consultation included a series of questions which invited comments on if and how the proposals might impact different groups, including people with protected characteristics, businesses, and island communities, or lead to an increased impact on inequalities of outcome. The analysis of responses to these questions is detailed in this chapter.

Q5.1 Are there any proposals in this consultation which you consider impact or have implications on people with protected characteristics?

	n=	% Yes	% No	% Not sure	% No answer
All respondents (n=)	95	6	65	21	3
All respondents (%)	95	6	68	22	3
Individuals	39	13	64	21	3
Organisations	56	2	71	23	4
Local Authorities	28	0	61	36	4
Designer / Consultant	19	5	79	16	0
Contractor / Developer	18	0	89	6	6
Membership body / association	4	0	75	25	0

Two thirds (68%) of respondents felt that no proposals would impact people with protected characteristics. A further 22% were unsure. Overall, 6% of respondents, including 13% of individuals, felt this should be considered.

Almost four in ten respondents answered the qualitative element of Q5.1, explaining their view. The most prevalent theme was comments reiterating that there would be no such impact. While some recognised that new policies should consider the impact on those with protected characteristics, these respondents did not perceive or were unaware of any issues.

“We would assume that the Equalities Act and other relevant laws have been considered during the consultation.” – Local Authority

Some respondents queried whether the existing fee exemptions for work to a building used by a disabled person would change because of the proposals. The consensus was that these exemptions work well and should continue. One individual stated that increasing the complexity of the system could disadvantage those with cognitive disabilities.

“There are zero fees for altering or extending a dwelling for a disabled occupant and presume there would be no change to this?” – Organisation

**Q5.2 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)?**

	<b>n=</b>	<b>% Yes</b>	<b>% No</b>	<b>% Not sure</b>	<b>% No answer</b>
All respondents (n=)	95	59	16	16	4
All respondents (%)	95	62	17	17	4
Individuals	39	54	21	26	0
Organisations	56	68	14	11	7
Local Authorities	28	64	11	18	7
Designer / Consultant	19	47	26	26	0
Contractor / Developer	18	83	6	0	11
Membership body / association	4	75	25	0	0

Three fifths (62%) felt that the proposals could impact them or their business. While 68% of organisations indicated this could be the case, concern varied by type of organisation, from 47% among designers/consultants to 83% of contractors/developers.

Two thirds of respondents provided further detail in open comments. The most prevalent theme was that many would support the proposals if the money raised were used solely to improve the building standards service. This was considered particularly important, given that heightened expectations of quality service provision could accompany the fee increase. Desired changes in quality included improvements in processing speeds, better auditing and verification measures and high-quality staff.

“Given the expectations being placed on [local authority] verifiers, it is vital that the necessary fees realised through any fee increase are directed towards the service areas.”  
 – Local Authority

“I am quite content with a fee increase IF the service I receive improves proportionally.” – Individual

The next most prevalent theme was a potential increased financial burden. Additional costs for local authorities included administrative and training requirements and additional IT expenditure e.g. changes to software to capture new fee structures. Local authorities who raised insufficient income from fees to cover Hub costs could also be disadvantaged. Contractors/developers highlighted several recent regulatory changes which they argued have already added to the overall financial burden of delivering projects.

“The home building sector continues to be impacted by a number of economic factors and upcoming Scottish Government changes to policy/regulations. We estimate the increase in building warrant fees to be around £70-75 per home in large volume developments. This is yet another cost burden to the delivery of new homes.” – Organisation

Several respondents highlighted the potential for increased workload for building services. Concern was expressed that service quality could further decline, e.g. increased delays. This could occur due to an increased volume of enforcement activities, such as additional on-site verification and recording or higher expectations and contact from customers. A local authority estimated that eight additional posts would be required to meet expectations arising from the new Compliance Plan approach. One organisation suggested that speeding up approval systems could offset higher development costs, whilst others called for a longer lead time to allow changes to be made.

“Introducing the Compliance Plan Manager (CPM) role and more rigorous compliance mechanisms might require additional administrative resources and time, leading to potential delays and increased overheads in project delivery.” - Organisation

Other potential impacts arising from the proposals were highlighted by several respondents. With fewer people choosing to renovate or move due to increasing costs, some consultancy firms anticipated fewer clients. Increasing costs could make construction projects less viable, particularly in areas where valuations are lower and profit margins are slim. Should domestic clients choose to circumvent the system and not apply for a building warrant, greater enforcement activity may be necessary. One individual also highlighted that local fee setting could be problematic for those working across local authority boundaries.

Q5.3 Do you think that any of the proposals in this consultation have any impact or implications on island communities?

	n=	% Yes	% No	% Not sure	% No answer
All respondents (n=)	95	17	29	44	5
All respondents (%)	95	18	31	46	5
Individuals	39	26	36	36	3
Organisations	56	13	27	54	7
Local Authorities	28	11	14	71	4
Designer / Consultant	19	11	63	26	0
Contractor / Developer	18	11	28	50	11
Membership body / association	4	25	50	0	25

Many respondents (46%) were unsure whether the proposals could affect island communities; 31% did not think there would be an impact, and 18% felt there could. Views

varied considerably by organisation type, with 71% of local authorities and half of contractors/developers unsure, 63% of designers/consultants stating no, and mixed views being held by the small number of membership bodies.

Just under a third of respondents provided additional comments on whether the proposals might impact island communities. The main view expressed was that an increase in fees would further add to a greater financial burden for island communities compared to the mainland, given that material costs or associated transportation costs are typically already higher, and could hinder further development. Other impacts identified by a few were that decisions would take longer due to longer travel times, difficulties attracting and retaining qualified staff and fewer complex warrant applications resulting in reduced income. Suggestions to overcome these issues included applying fee structure adjustments and offsetting reduced income streams.

“Transporting materials and specialists required for compliance may incur additional costs for island projects.” - Organisation

“HRB's are less prevalent in island communities and therefore the local authority involvement may be significantly different from those in mainland authorities. Island authority's will therefore see significantly less income from these types of applications. Suitably qualified CPM will be necessary for HRBs, and these people are not in abundance in island communities. This may mean a more burdensome requirement for the local authority as our involvement could be misinterpreted and a clear understanding of the verifier role is essential.” – Local Authority

Some felt that island communities would not be impacted differently from others or that islanders should be consulted to determine their opinions. Two mainland local authorities felt they faced similar issues with island communities and called for these to be recognised. For instance, one local authority building standards team called for local authority contributions to nationally recognised services to be based on their annual fee income rather than assuming a standard fee income should apply to all authorities.

A small number highlighted possible positive impacts.

“Island communities, due to their remote location, benefit significantly from access to the Building Standards Hub. The allocation of fees to support the development and maintenance of the Hub is particularly crucial for island communities like ours. It ensures that we have access to essential resources and information, which can be more challenging to obtain when situated far from other authorities.” – Local Authority

“When completely developed, the system's enhancements and maybe more resources—especially digital and RVI—might offer a greater value.” - Organisation

**Q5.4 Do you think that any of the proposals in this consultation have any impact on the inequalities of outcome caused by socio-economic disadvantage?**

	n=	% Yes	% No	% Not sure	% No answer
All respondents (n=)	95	17	47	27	4
All respondents (%)	95	18	49	28	4
Individuals	39	26	51	23	0
Organisations	56	13	48	32	7
Local Authorities	28	11	36	50	4
Designer / Consultant	19	26	53	21	0
Contractor / Developer	18	6	67	17	11
Membership body / association	4	25	50	0	25

Half (49%) of respondents did not think the proposals would impact socio-economic inequalities, while one quarter (28%) were unsure and 18% felt they would. While half of local authorities (50%) were unsure, half or more of other types of organisation indicated there would be no impact.

Around a third of respondents provided additional detail in Q5.4. The most prevalent view was that at an individual level, increasing the fee alone was unlikely to impact those affected by socio-economic disadvantage.

“The Warrant Fee is a fraction of the overall cost of works when compared to construction costs and professional fees. The customer will have addressed any socio-economic considerations they might have prior to point of building warrant submission.” – Local Authority

At a population level, however, it was argued that fewer building warrant applications could be made in remote areas or areas with low valuations or tight margins, which in turn could impact local authority building standards teams’ income. A local authority queried the impact of increased fees on its housing emergency but did not elaborate on this.

The next most commonly mentioned theme was that the greater financial burden could prevent people affected by socio-economic disadvantage from improving their homes. A few argued that those impacted by socio-economic disadvantage may circumvent the regulations and not apply for a building warrant.

A small number made suggestions for improvement, notably allowing for a reduction in fees based on personal circumstances or extending the existing fee exemption to all households with a disabled person (i.e., not just disabled adult applications as at present). However, one local authority building standards team argued that establishing a system that allowed for consideration of reduced fees would be an ‘extremely difficult process’.

## 7. Conclusions

Many individuals and stakeholders with detailed knowledge participated in the consultation, sharing their views on the proposed changes to building warrant fees. Reflecting their experience and perspectives, this report provides a high-level summary of the consultation responses. For more detail, readers are encouraged to look to individual responses where permission was given for publication<sup>3</sup>.

There was broad agreement with several of the proposed changes, but respondents also noted concerns or points for consideration in some key areas.

Just under two thirds (65%) of all respondents agreed that building warrant fees should be increased, 70% agreed with using a portion of fees to support a central Building Standards Hub, and 81% supported the introduction of an enhanced fee for High Risk Building warrant applications. There was widespread consensus that building warrant fees should be set nationally, with 88% agreeing. Respondents also favoured an iterative process for future fee setting, with 81% supporting a review after one year before and changes to fees are implemented.

Many supported the proposed changes, arguing they could lead to improved processes, oversight and consistency between local authorities. This was especially true regarding the support for a portion of fees being used to fund a central Building Standards Hub and an enhanced fee for High Risk Buildings.

While a majority (59%) supported a portion of building warrant fees funding the local authority compliance enforcement role in relation to building warrants, only one third (33%) felt that fees should fund a wider building standards statutory role within local authorities. This latter role was seen as separate from the building warrant verification process and should, therefore, also be funded separately.

Concerns about how the increased building warrant fees would be used were raised by both those in favour of and opposed to the proposals. A frequently raised concern was ensuring that any additional funding generated from increased fees is directed back to local authority building standards teams to support their work. A few also highlighted that increased fees could dissuade people from renovating or building in the future.

Throughout the consultation, respondents argued that any fee increase would need to be accompanied by an improvement in the quality of services provided by local authority building standards teams. It was suggested that there were delays to building warrant approvals and verification due to a lack of trained staff arising from funding and skills shortages. Some noted that introducing the proposed changes to an already stretched sector could negatively impact the verification process.

The Verification Delivery Model work stream will now consider the findings from this consultation to further inform the development of the Building Standards Hub and the work of the Building Standards Futures Board.

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<sup>3</sup> Responses are published on the [Scottish Government's consultation website](#)



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