

Title: Private Rented The Smoke, Heat, and Carbon Monoxide Alarms for Private Tenancies Regulations (Northern Ireland) 2024	Regulatory Impact Assessment (RIA)		
	Date: 30/5/2024		
Lead department or agency: Department for Communities	Type of measure: Secondary Legislation		
	Stage: Post consultation		
	Source of intervention: Domestic NI		
Other departments or agencies: N/A	Contact details:		
	prs@communities-ni.gov.uk		

Summary Intervention and Options

What is the problem under consideration? Why is government intervention necessary? (7 lines maximum) Health and Safety measures have been paramount following the Grenfell tragedy. All other UK jurisdictions have legislated to improve safety within private rented properties by legislating on the number, type and condition of alarms that need to be installed. NI fire statistics for 2019/20 indicate a total of 782 dwelling fires with 3 fatalities (average yearly figure approx 8), and 69 injuries requiring hospital treatment. The installation of a fire alarm system can substantially reduce the risk of death or serious injury from fire. Indeed, the overall downward trend in annual fire deaths in domestic premises since smoke alarms in domestic premises were first given recognition in British Standards is almost certainly attributable in part to the increasing use of fire and smoke alarms.
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What are the policy objectives and the intended effects? (7 lines maximum) The objective is to enact the primary power at Section 8 of the Private Tenancies Act (NI) 2022 and bring forward regulations to specify the alarm minimum standards that private rented landlords in NI <u>must</u> put in place within their properties. The intended effect is to reduce the risk of injury or death by bringing NI in line with regulation measures brought forward by other UK jurisdictions. Installation of alarms will significantly enhance the safety of tenants in private rented accommodation.
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What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base) (10 lines maximum) Option 1: Status Quo. Let landlords decide whether they will provide alarms within their rented properties. Option 2: Regulate for the installation of either mains wired <u>or</u> interlinked battery alarms in all private rental properties. Option 3: Regulate for the installation of only mains wired interlinked alarms in all private rental properties. <u>Option 2 is the preferred option.</u> As long as landlords ensure sufficient cover is in place as specified within the new regulations the choice of what type of alarm system to install is left up to landlords which means <u>retrospective application</u> will be quick and straightforward without over complicating the process. Note: New build/renovation properties under building regulations have no option but to install hard wired alarms (<i>Technical Booklet E for fire detection and alarm systems in flats and dwelling houses (not with a storey exceeding 200m² in area).</i> These new DfC regulations apply to all private rented properties, the majority of which are not in a new build/ renovation property scenario.
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Will the policy be reviewed? RIA to be revisited	If applicable, set review date: N/A
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Cost of Preferred (or more likely) Option		
Total outlay cost for business £	Total net cost to business per year	Annual cost for implementation by Regulator £
£31,792,715	£3,173,271	N/A no Regulator imposed via legislation

Does Implementation go beyond minimum EU requirements?	N/A			
Is this measure likely to impact on trade and investment?	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>		
Are any of these organisations in scope?	Micro Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Small Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Medium Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Large Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

The final RIA supporting legislation must be attached to the Explanatory Memorandum and published with it.

Approved by: Julie Lavery (Head of Private Rented Branch) Date: 30/05/2024

Description: **The Smoke, Heat, and Carbon Monoxide Alarms for Private Tenancies Regulations (Northern Ireland) 2024**

ECONOMIC ASSESSMENT (Option 2)

Costs (£m)	Total Transitional (Policy) (constant price)	Years	Average Annual (recurring) (excl. transitional) (constant price)	Total Cost (Present Value)
Low	Optional	10	Optional	Optional
High	Optional		Optional	Optional
Best Estimate	£31,792,715		£31,687,480	£30,721,157

Description and scale of key monetised costs by ‘main affected groups’ Maximum 5 lines

Interlinked battery pack = **£24,755,800**
 (Transitional) Familiarisation time re Regulations = **£105,235**
 Additional estimated extra cost for % choosing hard-wire alarm option = **£6,931,680**
 Total = **£31,792,715** on 10 year cycle. NPC cost = **£30,721,157**

Other key non-monetised costs by ‘main affected groups’ Maximum 5 lines

NIFRS statistics reflect 8 fatalities per year and 69 injuries per year requiring hospital treatment.
 Utilising Ministry of Housing, Communities and Local Government data: Cost of a life estimated at £1,554,395 x 8 NIFRS est annual fatalities = **£12,435,160** per year.
 Serious injury = £174,671, Minor injury = £13,465
 Assumption 34 serious injuries & 35 minor injures = £174,671 x 34 + £13,465 x 35 = £5,938,814 + £471,275 = **£6,410,089** per year. (£12,435,160 + £6,410,089 = **£18,845,249 per year**) Over 10 years = **£188,452,490**

Benefits (£m)	Total Transitional (Policy) (constant price)	Years	Average Annual (recurring) (excl. transitional) (constant price)	Total Benefit (Present Value)
Low	Optional	10	Optional	Optional
High	Optional		Optional	Optional
Best Estimate	£188,452,490		£18,845,249	£188,452,490

Description and scale of key monetised benefits by ‘main affected groups’ Maximum 5 lines

The key benefit for the main affected group (private rented landlords) will be enhanced health and safety measures deployed within their properties to protect tenants from fatality and injury from fire, smoke inhalation, or carbon monoxide poisoning. Aligned to that is the protection of the building and contents from risk of fire due to early alert system being in place via a functioning interlinked alarm system. The 2021 census reflects a figure of 123,779 private rented households and NIFRS statistics reflect 8 fatalities in dwelling fires in NI since November 2022 and a 14% increase in incidents.

Other key non-monetised benefits by ‘main affected groups’ Maximum 5 lines

The value of a prevented fatality is £1,554,395. The value of minor injury prevented is £13,465.
 The value of serious injury prevented is £174,671. (These monetised figures are taken from the Ministry of Housing, Communities and Local Government (MHCLG) and their Impact Assessment for ‘Sprinklers and other fire safety measures in high-rise blocks of flats’ of May 2020). The UK value of a prevented fatality is £1.8 million as per “A scoping study of the valuation of risks to life and health”: the monetary Value of a Life year (VOLY) Published 28 July 2020.

Key Assumptions, Sensitivities, Risks Maximum 5 lines

On implementation of the Regulations most landlords will opt to fit battery alarms retrospectively rather than opt for hard wire alarms. A small proportion of the private rental market will be new build/renovated properties and already comply with building regulations to only have hard-wired alarms in place. A percentage of private rented properties will have some working alarms already in place. All properties will need to replace their existing alarms whether battery/hard-wire on expiry of the unit – estimate 10 yearly lifespan of alarm units.

BUSINESS ASSESSMENT (Option 2)

Direct Impact on business (Equivalent Annual) £m		
Costs: -£31,792,715	Benefits: £188,452,490	Net: +£156,659,775

Cross Border Issues (Option 2)

How does this option compare to other UK regions and to other EU Member States (particularly Republic of Ireland) Maximum 3 lines

All other UK jurisdictions already have legislated to make it mandatory that smoke/heat/carbon monoxide alarms need to be installed within landlord rental properties that includes the Republic of Ireland.

Evidence Base

There is discretion for departments and organisations as to how to set out the evidence base. It is however desirable that the following points are covered:

- Problem under consideration;
- Rationale for intervention;
- Policy objective;
- Description of options considered (including do nothing), with reference to the evidence base to support the option selection;
- Monetised and non-monetised costs and benefits of each option (including administrative burden);
- Rationale and evidence that justify the level of analysis used in the RIA (proportionality approach);
- Risks and assumptions;
- Direct costs and benefits to business;
- Wider impacts (in the context of other Impact Assessments in Policy Toolkit Workbook 4, economic assessment and NIGEAE)

Inserting text for this section:

Text can be pasted from other documents as appropriate.

Problem under consideration

Previously smoke alarm installation in Northern Ireland has been progressed largely through non-regulatory approaches by a combination of public information campaigns and funding for NI Fire and Rescue Service to carry out home fire risk checks. Additionally changes to Building Regulations in respect of new builds or refurbishments have seen a gradual rise in smoke alarm ownership across all tenures. However, despite these improvements, private renters remain less likely to have a sufficient amount of working smoke/heat/carbon monoxide alarms in place than owner occupiers and social renters.

Rationale for intervention

It is considered necessary to introduce regulations (like those implemented in other UK jurisdictions) to protect tenants from any private rented sector landlords who have proved resistant to the non-regulatory approaches already deployed. The Regulations address the need to have a sufficient number of working alarms installed within private rental properties.

According to the National Fire Protection Association (NFPA), having working smoke alarms in your home cuts the risk of dying in a fire by 55%. According to national statistics properties that have alarms in place prove that fires are discovered more rapidly (less than 5 minutes) after ignition and be associated with lower fatal casualty rates. Alarms will also protect property and possessions.

Policy objective

The objective is to reduce the risk of injury or death caused by fire, smoke, and carbon monoxide by making it compulsory for landlords to install devices to alert tenants to danger. Installation of the devices for fire detection and warning will significantly enhance the safety of tenants in private rented accommodation. All private rented properties will have a smoke alarm in the room most frequently used, also a smoke alarm in every hallway and landing. The smoke alarm should always be within 3 metres of all bedrooms if not, then a further alarm will be needed to meet this requirement. A heat alarm in every kitchen and a carbon monoxide alarm in any room in the property which contains a fixed combustion appliance (other than a gas cooker) and a room which contains a flue.

Description of options considered (including do nothing), with reference to the evidence base to support the option selection.

Option 1: Do nothing.

Let the landlords decide if they will provide devices for detecting smoke, fire, and carbon monoxide in their rented properties.

Option 2: Regulate for the installation of alarms in all private rental properties. Let the landlord have choice to install either hard-wire or battery (adhering to building regulations on new-build/renovations as necessary).

Option 3: Regulate for the installation of only mains wired interlinked alarms.

Evidence base for Option 2 – Preferred option

It is recognised that most of the private rented stock in Northern Ireland is made up of older properties rather than new build which means Option 2 will be the most straightforward and cost-effective way of deploying retrospective regulation to installing smoke, heat, carbon-monoxide alarms.

Reference: Stock Profile report by University of Ulster/NIHE. Section 6.0 ([Private Rented Sector Stock Profile, Physical Condition & Key Government Indicators Report \(nihe.gov.uk\)](#))

[The Benefits of Wireless Fire Alarms | Surrey Tech Services Ltd](#)

Monetised and non-monetised costs and benefits of each option (including administrative burden

Option 1 Do nothing - continue the current non-regulatory approach and leave the choice on whether to have or not have smoke alarms in private rented properties up to landlords.

Assumption: 50% of current private rented properties will have in place approx 3 working battery smoke, heat or carbon monoxide alarms in place.

Item	Ten-year lifespan cost	Comments
Cost of purchasing a battery alarm	£7,426,680	£40 average per alarm & 3 alarms in place 123,779 PRS households per 2021 Census ÷ 2 = 61,889 properties. £120 x 61,889 = £7,426,680
TOTAL	£7,426,680	

Option 2 - Regulate for the installation of either hard-wired or interlinked battery alarms in all private rental properties.

Regulation specifies a standard 3 bedroom property would need at least 1 heat alarm, 1 carbon monoxide alarm and 3 smoke alarms.

References for **battery alarm** costings:

https://www.amazon.co.uk/Hispec-Smoke-Alarms-Detectors-Safety/dp/B09W33KL1H/ref=sr_1_6?adgrpid=1180876387096

One off familiarisation cost to business: We estimate that all landlords need to become familiar with the changes in the regulation irrespective if their properties already had an alarm. That will require approximately 15 minutes representing a one-off cost to business.

The NI Landlord Registration database shows (April 2023) 40,475 registered landlords.

Additional cost if **hard-wired alarms** selected:

- Average cost of mains powered interlinked optical smoke detector - £40.
- Average cost to fit 1 mains powered interlinked optical smoke detector - £100.
- Costs involved for provision of 4 additional mains powered alarms (interlinked) for parts and labour: £560.
- £60 fee council building application

Total cost per property = £760

Item	Ten-year lifespan cost	Comments
Cost of purchasing a battery alarm system to meet regulation requirements	£24,755,800	The total cost for at least 5 alarms required for a property is approx £200. 123,779 PRS households per 2021 Census x £200 = £24,755,800
Familiarisation time re Regs	£105,235	National minimum wager per hour £10.42 (15 mins = £2.60) 40,475 landlords x £2.60 = £105,235
Extra cost for those choosing hard-wired alarms	£6,931,680	Assumption 10% of properties choose hard-wired option = 10% of 123,779 is 12,378 properties £760 x 12,378 = £9,407,280 Battery alarm cost £200 x 12,378 = £2,475,600 Cost differential = £9,407,280 - £2,475,600 = £6,931,680
TOTAL	£31,792,715	

Option 3 - Regulate for the installation of only mains wired interlinked alarms.

- Average cost of mains powered interlinked optical smoke detector - £40.
 - Average cost to fit 1 mains powered interlinked optical smoke detector - £100.
 - Costs involved for provision of 4 additional mains powered alarms (interlinked) for parts and labour: £560.
 - £60 fee council building application
- Total cost per property = £760

Item	Ten-year lifespan cost	Comments
Cost of purchasing an alarm system	£24,755,800	£40 per alarm average x 5 = £200 x 123,799 properties per 2021 Census = £24,755,800
Time cost of electrician installing alarms	£61,889,500	£100 per alarm = £500 x 123,779 properties per 2021 Census = £61,889,500
Council building application fee	£7,426,740	£60 fee per property x 123,779 properties = £7,426,740
Familiarisation time re Regs	£105,235	National minimum wage per hour £10.42 (15 mins = £2.60) 40,475 landlords x £2.60 = £105,235
TOTAL	£94,177,275	

Rationale and evidence that justify the level of analysis used in the RIA (proportionality approach)

The Regulations have been informed by the expert Advisory Panel which was set up with representation from Northern Ireland Fire and Rescue Service, Electrical Safety First, District Council Enforcement, and professional advice from DoF Housing Advisory Unit. The health and safety of all tenants occupying a private rental property was paramount in bringing these regulations forward.

The Grenfell tragedy in London in 2017 resulted in the loss of 72 lives which gravely highlighted the need for improved regulation across all jurisdictions taking into consideration the lessons learned in respect of health and safety. An assessment of the legislative framework England, Scotland, Wales, and the Republic of Ireland was taken into consideration when formulating Regulations specific to Northern Ireland.

As stated previously as per the monetised figures are taken from the Ministry of Housing, Communities and Local Government (MHCLG) and their Impact Assessment for 'Sprinklers and other fire safety measures in high-rise blocks of flats' of May 2020 the value of a prevented fatality has been costed at £1,554,395; the value of minor injury prevented has been costed at £13,465, and the value of serious injury prevented has been costed at £174,671.

"A scoping study of the valuation of risks to life and health": the monetary Value of a Life year (VOLY) Published 28 July 2020 puts the UK value of a prevented fatality at £1.8 million.

Risks and assumptions:

Minor risk flagged around affordability. However, for the preferred option (Option 2) the cost equates to circa £200 per property over 10 years for alarm purchases. Taking into account the fact that landlords receive a rental income for their property/properties this is considered as a low impact risk.

Assumption applied is that Option 2 provides flexibility re retrospective compliance for older properties as either long-life battery unit appliances or hard-wired alarms can be installed.

Recognised new build or refurbished properties coming onto the private rented market will already have to comply with building regulations which require mandatory hard-wired alarms. These new build or refurbished properties do not feature in the calculations within this RIA as (i) the percentage of PRS stock in that category is minimal, and (ii) those properties are covered under DoF building regulations Technical Booklet E (TBE) which have required smoke detectors to be mains wired and interconnected since 1994.

Direct costs and benefits to business

A direct cost for a landlord equates to approximately £200 for standard interlinking alarms with a lifespan of 10 years.

If a landlord chooses to install hard-wired alarms to the mains supply an additional £60 building application fee will be incurred as well as the cost of installation by a qualified electrician. Familiarisation time for understanding the new requirements has been factored in based on the national minimum wage.

Failure to comply with the regulations could result in fines and penalties being applied by the local district council upon inspection of the property.

Wider impacts (in the context of other Impact Assessments in Policy Toolkit Workbook 4, economic assessment and NIGEAE)

There will be additional financial impact on Councils re inspection and prosecution work. Mitigation: the Landlord Registration System is subject to the scoping of potential transfer of function over to district councils. If that transfer action is implemented that will generate the necessary income from landlord registration fees to bolster enforcement activities. In the interim fixed penalty fines or successful prosecution action for non-compliance with the regulations will also generate cost recovery income for councils.