

**Explanatory Memorandum to The Building (Approved Inspectors etc.)
(Amendment) (Wales) Regulations 2024**

This Explanatory Memorandum has been prepared by Building Regulations and is laid before Senedd Cymru in conjunction with the above subordinate legislation and in accordance with Standing Order 27.1

Minister's Declaration

In my view, this Explanatory Memorandum gives a fair and reasonable view of the expected impact of The Building (Approved Inspectors etc.) (Amendment) (Wales) Regulations 2024. I am satisfied that the benefits justify the likely costs.

Julie James MS
Minister for Climate Change

01 March 2024

PART 1

1. Description

- 1.1 These regulations are subordinate legislation which implement some of the changes to the Building Act 1984 brought about by the Building Safety Act 2022.
- 1.2 The Building (Approved Inspectors etc.) (Amendment) (Wales) Regulations 2024 (“the Regulations”) amend existing forms used in Building Control and create new forms, in relation to:
 - Higher-risk building work: registered building control approvers
 - Cancellation of Initial Notice
 - New Initial Notices and associated Transfer Certificates
- 1.3 The Regulations contain provisions in relation to information gathering when there is a change in Registered Building Control Approver (RBCA).
- 1.4 The Regulations include transitional arrangements to facilitate the smooth transfer to the new forms and new legislative regime.

2. Matters of special interest to the Legislation, Justice and Constitution Committee

- 2.1 The Regulations amend the Building (Approved Inspectors etc.) Regulations 2010 (“the 2010 Regulations”), which are England and Wales regulations. Therefore, the amended 2010 Regulations will not be bilingual. These amendments are being made now for the purpose of ensuring that the new building control regime can operate effectively from 6 April 2024. New regulations will be made within the next 12 months to replace these, which will apply to Wales only and which will be bilingual.

3. Legislative background

- 3.1 Following the Grenfell Tower tragedy, the UK Government appointed Dame Judith Hackitt to lead an independent review of building regulations and fire safety in England. In her final report, Dame Judith Hackitt outlined a new approach to managing fire and structural safety risks in high-rise multi-occupied residential buildings together with fundamental changes to the way building control operates, alongside driving up competence across the profession and industry more widely.
- 3.2 Our own Building Safety Expert Group developed a ‘Road Map to Safer Buildings in Wales’ which applied the Hackitt report recommendations to Wales. These proposals were built on in the White paper: Safer Buildings

in Wales, which set out how we planned to address the issues in the design and construction and occupation stages. The White paper explained that changes to the design and construction regime in Wales would be brought forward through the Building Safety Act 2022 (“BSA22”).

3.3 The BSA22, which received Royal Assent in April 2022, brought forward a package of legislative changes in relation to building safety. For Wales, the Act contains, amongst other provisions, legislative changes to establish new design and construction processes, oversee the competence of those who operate in the system, and other improvements to support the construction of safer buildings generally, and also makes specific provision in relation to higher-risk buildings.

3.4 These legislative changes are brought about by Part 3 of the BSA22.

- Section 46 amends the Building Act 1984 (“BA84”) by inserting sections 52A & 52B.
- Section 50 amends Section 52 of BA84 (cancellation of Initial Notice).
- Section 51 amends Sections 47, 53 & 55 BA84 (new Initial Notices) and also inserts new sections 53B – 53E.
- Section 52 amends Sections 53 & 57 BA84.

The overall purpose of these amendments and insertions is to make provisions for the potential scenario of when work that already has an approved Initial Notice becomes higher-risk building work, or the RBCA is unable to carry out its functions due to professional sanctions or business cessation.

3.5 The Welsh Ministers make the Regulations by exercising the powers conferred on them by sections 1(1), 47(1), (3), (5), 50(1D), 51(1), 51A(2), 52(1), (3), (5), (5A), (7), 52A (1), (2), (4), 53(4B), (4C), (7)(a)(iii), 53B(5)(b), 53C (3)(a), (6)(a), 53D(2), (3), (5), 54(1)(c) and 92(2) and paragraphs 1A(1), (2)(a) to (c), 1D(1), 1F(1) and 10 of Schedule 1 and paragraphs 2(1) and (2) and 3(1) of Schedule 4 to the BA84.

3.6 The Regulations are being made under the negative resolution procedure.

4. Purpose and intended effect of the legislation

4.1 The Regulations are part of a suite of new legislation which overall is intended to drive up standards and safety across the built environment while providing clarity to industry on its responsibilities and duties.

4.2 The BSA22 made a large number of changes to the BA84, and therefore those changes are being implemented in phases. The new building

control regime (full implementation of the BSA22) is planned to be in place in April 2025.

- 4.3 Section 46 BSA22 amends BA84 to prevent a dutyholder in relation to higher-risk building work from choosing their building control body, as recommended by the Independent Review. The amendments ensure the Local Authority for the area or as designated by Welsh Ministers will be able to act as building control authority. The Local Authority will be the building control body for this type of building work and is able to apply the new regulatory arrangements to improve the safety of such buildings.
- 4.4 The Regulations will provide that where building works, which have an approved Initial Notice in place that doesn't specify Higher-Risk Building ("HRB") work, incur a change that results in the work becoming HRB work, cancellation of the original notice, or the appropriate part of it is required.
- 4.5 The Regulations create new forms 13(W), 14 (W) & 15(W) that allow the appropriate party (either the RBCA, person carrying out the works or the Local Authority) to cancel the Initial Notice in this scenario.
- 4.6 Section 50 BSA22 amends section 52 of BA84 to introduce new powers and obligations on the person shown on the Initial Notice such as the RBCA, Local Authority and person carrying out the work. The Regulations require them to cancel Initial Notices for reasons other than the work becoming HRB and ensures that this process can happen efficiently.
- 4.7 From the commencement of the new building control regime, there will be a new obligation for Local Authorities when they propose to cancel an Initial Notice, to give 7 days' notice to the RBCA. The Regulations provide form 12(W) for this purpose, and the form also makes the RBCA aware that they can appeal against the decision within the appeal window.
- 4.8 The Regulations have also created new form 11(W) to enable the Local Authority to cancel an Initial Notice on the grounds of professional sanctions.
- 4.9 The Regulations will both insert new forms into, and amend existing forms in, Schedule 1 to the 2010 Regulations.
- 4.10 Section 51 BSA22 amends section 53 BA84 to create greater flexibility and capacity for the building control system to address issues when work may transfer from one RBCA to another. The Regulations provide for Transfer Certificates, which the Local Authority can either accept or reject, depending on whether it is satisfied with the information provided by the new RBCA.

- 4.11 The Regulations allow for a new Initial Notice to be given where a previous Initial Notice ceases to be in force.
- 4.12 Historically there have been times when an Approved Inspector (AI) has been unable to complete a project, for a variety of reasons. There was no formal process for handing over work to a Local Authority or another AI, and the outgoing AI could not say that the project complied with the building regulations as it was incomplete. The policy aim for Transfer Certificates is to ensure that the building work completed so far on a partially completed project (under the previous AI/RBCA), rather than the complete project, does not contravene any provision of the building regulations. The Regulations therefore provide a mechanism for an outgoing AI/RBCA to confirm that a partially completed project does not contravene building regulations.
- 4.13 The Regulations prescribe what must be included in a Transfer Certificate, the grounds for rejection of a Transfer Certificate and relevant timeframes associated with the new Initial Notice, Transfer Certificate and any requests for further information by the Local Authority.
- 4.14 Section 52 BSA22 amends section 53 BA84 to enable a Local Authority, where an Initial Notice has ceased to be in force in certain circumstances, to seek information from the person shown on the Initial Notice as the RBCA where it has ceased to supervise a project. The section also gives the person carrying out the work a right to receive information from the RBCA, and a power, by notice, to require other information which the replacement for the “outgoing” RBCA may need.
- 4.15 The Regulations also provide that any forms submitted to a Local Authority prior to 6 April 2024 will be processed as usual, despite the new regime taking effect on 6 April 2024.
- 4.16 To reduce the chance of error, form numbering has been aligned to comparable forms that are used in England, with a “(W)” suffix to make clear that the form is intended for use in Wales. It should be noted that there is intentionally no Form 6(W) at this time. We are aware that England have produced Form 6 (Notice of invalid notice or certificate), but in Wales, rejection of an application on the basis that it is invalid, has operated to date by the applicant receiving a notification from the relevant Local Authority. This has worked effectively and we do not foresee a problem with continuing to operate in this way in the short term.

5. Consultation

- 5.1 There is no statutory duty to consult in respect of the Regulations. However, in line with the Welsh Government’s policy on consultation, the Regulations have been subject to consultation.

- 5.2 BRACW have been consulted and a workshop with key industry stakeholders was undertaken in relation to changes in respect of the building control profession.
- 5.3 A formal consultation was carried out in the process of developing the Regulations. Consultation document 'Regulation of the Building Control profession and Building Control bodies'¹ was published on 21 April 23 which sought the public consideration of the proposals for these provisions. The consultation was drawn to the attention of a wide audience of key stakeholders such as Approved Inspectors, Local Authority Building Control Bodies and professional bodies such as Chartered Association of Building Engineers (CABE), Royal Institute of Chartered Surveyors (RICS), and the Chartered Institute of Building (CIOB).
- 5.4 An 8-week consultation ran from 21 April 2023 to 16 June 2023 on the draft proposals for the Regulations. There was targeted engagement with stakeholders prior to the consultation being published.
- 5.5 The consultation received 11 responses from a range of stakeholders including those in the categories of Designer/Engineer/Surveyor, Approved Inspector, Local Authority building control, Professional body and Other interested party. The summary of consultation responses was published in October 2023 (document WG48357)².
- 5.6 Responses have been taken into consideration when drafting the Regulations. One concern was that there might not be enough time for RBCAs to provide information on projects when requested by the Local Authority. Therefore, the Regulations provide that the information must be provided within 21 days, but also allow for the period to be extended by mutual agreement.

¹ [Regulation of the Building Control profession and Building Control bodies \(gov.wales\)](#)

² [Summary of Responses and the Government Response for the consultation on the Regulation of the Building Control profession and Building Control bodies](#)

PART 2 – REGULATORY IMPACT ASSESSMENT

6. Options

6.1 This impact assessment relates to The Building (Approved Inspectors etc.) (Amendment) (Wales) Regulations 2024 (“the Regulations”), however the assessment considers the impacts of reforming the building control profession more widely rather than just considering the impacts of the Regulations.

6.2 Other regulations related to the reform of the building control profession, and their explanatory memoranda and regulatory impact assessments, have already been laid and published³.

6.3 As part of the formal interaction between Local Authorities and the private building sector, forms have been in use for several years in relation to submitting Initial Notices, making amendments, submitting Plans Certificates and Final Certificates.

6.4 The changes being brought about by the Regulations are demanded by the BSA22.

6.5 The amendments to the existing forms and the introduction of new forms are an intrinsic part of other secondary legislation that is coming into force on 6 April 2024 and is seen as a continuation of ‘Business as usual’ for the Local Authorities and the private building sector.

6.6 It is not anticipated that the Regulations will have a cost impact on any of the parties involved in Building Control. Due to this, ‘Forms’ or ‘Changes to forms’ was not noted as part of the package of options in the RIA.

6.7 The content of the RIA is provided below as it provides the overall assessment for the suite of regulations, of which the Regulations are an integral part.

6.8 Three options are assessed within this Impact Assessment:

- Option 0: Do nothing
- Option 1: Implement package of options proposed at consultation stage and take forward the introduction of registration of building control through the BSR.
- Option 2: Implement package of options proposed at consultation stage and take forward the introduction of registration through a Wales only system.

6.9 Option 0: Do Nothing

³ [SL\(6\)397 - The Building Safety \(Description of Higher-Risk Building\) \(Design and Construction Phase\) \(Wales\) Regulations 2023 \(senedd.wales\)](#)
[SL\(6\)427 - The Building Control Profession \(Charges\) \(Wales\) Regulations 2023 \(senedd.wales\)](#)
[SL\(6\)426 - The Building \(Building Control Profession\) \(Registration, Sanctions and Appeals\) \(Wales\) Regulations 2023 \(senedd.wales\)](#)

Under the “Do nothing” option, the policies listed under Option 1 would not be implemented. Under this option, all the new measures including registering building inspectors and building control approvers would not occur, approved inspectors would remain registered with the Construction Industry Council Approved Inspectors Register, and the introduction of the associated building control changes would not take place.

6.10 Option 1: Preferred Option: Implement package of options proposed at consultation stage and take forward the introduction of registration of building control through the BSR.

- The package of options consulted upon included:
 - Setting the registration period at 5 years for registered building control approvers.
 - Setting the registration period at 4 years for registered building inspectors.
 - Requiring registered building inspectors to carry out restricted functions and activities.
 - Delegating the majority of functions under Part 2A of the BA84 Act to the Building Safety Regulator (BSR) to administer regulation of the RBI and RBCAs in Wales, this would include registration, maintenance of the register and undertaking sanctions/ enforcement action for RBIs and RBCAs, but not Local Authorities which would have their own separate monitoring process.
 - That charges for registration will be calculated on a cost recovery basis.

6.11 Option 2: Implement package of options proposed at consultation stage and take forward the introduction of registration through a Wales only system.

- This option was discounted as it was made clear by the industry that the preferred option was to have one system for registration across Wales and England for both economic and practical reasons.

7. Risks

7.1 There may be an unintended consequence related to the requirement to register as an RBI with regard to capacity issues within the construction sector. This is because RBCAs will need to have sufficient numbers of RBIs, with a Class 2 or above qualification, to sign off on restricted activities. If these inspectors do not have the required competence levels, this may cause building projects to stall. To mitigate the risk, we are in the process of writing transitional regulations that will extend the time for Building Inspectors to go through their competence assessment, by approximately 6 months. It is expected that those regulations will be made earlier than the Regulations.

7.2 Welsh Government Officials have been working closely with the building control sector, the BSR and Third-Party Verification of Competence scheme providers to mitigate against this risk, and evidence from existing schemes suggests the risk is currently being mitigated. Welsh Government, however,

recognises that sufficient capacity in the profession is dependent on existing building surveyors and prospective RBIs receiving Third Party Verification of Competence and successfully registering as RBIs by 6 April 2024.

8. Costs and benefits

8.1 The Regulations implement measures committed to in the BSA22. All these measures were considered against 'do nothing' options and determined as essential to achieve all the above aims. The Regulations are essential to implement the BSA22 and define its operation. This includes reform of the building control sector in April 2024, which includes ending AIs' registration with Construction Industry Council Approved Inspectors Register, introducing RBCAs and RBIs. All these measures – as set out through primary and secondary legislation – have been assessed and discussed extensively with stakeholders. We have concluded that the aim of the reforms could not be achieved through voluntary or non-legislative measures, or by the current regulatory system for approved inspectors and the wider industry.

8.2 The costs detailed below outline the policy proposal which was the preferred option. During the latest consultation on the matter there was an almost unanimous response in favour of having a single system for the registration of building control profession across Wales and England.

8.3 The industry was concerned that two separate systems would be more costly, with inspectors and bodies having to pay twice, have increased regulatory burdens and have the potential to add additional confusion and complexity.

8.4 The additional costs of the system will fall directly to the building control industry, but it is likely that these costs will be passed back to developers through the industry's charging regimes.

8.5 It should be noted that although there will be one system for administrative purposes the registers for Wales and England are independent and regulations apply separately to each administration.

8.6 The registration system has already been established for England and therefore the majority of the set up costs have been absorbed by UK Government and will not be passed to Wales. However there is likely to be some IT development costs for set up of the Welsh elements which are being absorbed by the Building Safety Programme. These costs have not been included in the RIA as they have been included as part of the policy development work – we have estimated this at approximately £435k.

Direct benefits

8.7 The direct benefits of the policy will be increased oversight of building control profession and improved competency among building inspectors.

Non-Monetised benefits

8.8 It is anticipated that increased competency of the profession will result in improved oversight of building works and in turn, fewer defects in the built environment which will result in health and safety benefits.

8.9 It is also likely that improved competency of building inspectors will improve confidence that buildings have been constructed to the required standards and are safe to live in and occupy. This will benefit the occupiers of new buildings.

8.10 However, the proposals considered in this assessment do not require inspectors to develop additional new skills beyond those that the inspectors currently have. Therefore, it has not been possible to quantify the benefits of improvements in the building control profession as a result of the policy proposals set out in this assessment in isolation of other proposed changes to improve the regulated building activity.

8.11 The analysis considers the costs over a 10-year policy period.

Present value

8.12 All costs and benefits are presented in 2023 prices, in 2024 present values using discount rates for health and non-health impacts as set out in the Green Book.

9. Assumptions used in the cost benefit model

9.1 The proposed policy applies to all current and future RBIs (formerly building inspectors) in Wales. This includes both those that are employed by Local Authorities and those that work for Building Control Approvers (formerly Approved Inspectors).

9.2 The assumptions and estimates have been developed with extensive expert input from external consultants with industry experience from the Adroit Consortium who also consulted with the Health and Safety Executive and obtained information from the Welsh Government and the Construction Industry Council Approved Inspectors Register.

9.3 The cost model is only considering costs to RBIs as it is assumed based on current practices that all RBCAs will be registered in England and there will be no additional costs to work across both administrations.

9.4 The cost of undertaking restricted functions and activities would be in line with current costs, the only difference being that individuals will now need to be registered to prove their competence in order to undertake these functions/activities.

Number of Approved Inspectors

9.5 Table 1 shows the estimated number of approved building inspectors that will be registered in Wales. This includes those who are employed by Local Authorities and an estimate of the number of building inspectors based in Wales that are employed by AIs.

Table 1: Estimated Number of Building Inspectors in Wales		
Organisation	Number of Building Inspectors	Source
Local Authority	211	Welsh Government
Approved Inspectors (Building Control Approvers)	197	Consultant Estimate (based on the proportion of building inspectors that are employed by Approved Inspectors in England – 48% of all inspectors)

9.6 In addition to those currently working as building inspectors, the analysis also included an estimate of new building inspectors that will enter the profession over the next 10 years (and the number that will leave the profession at the same time).

Table 2: Estimated number of new building Inspectors p.a.		
	as % of current number of approved inspectors	Source
Number of new approved inspectors p.a.	3%	Assumptions in England IA (typical annual churn of staff)
Number of approved inspectors leaving the sector p.a.	-3%	Consultants' assumption – i.e. assuming no net change in the number of approved inspectors

9.7 There are two stages to the process of registering as an RBI. Firstly, the competence of the building control inspector will be verified by a third party. Secondly, the Building Inspectors will register with the Regulator.

Competency Verification

9.8 The costs of third party verification are set out in table 3 based on information published by the Building Safety Competence Foundation, an organisation set up by LABC.

Table 3: Building Inspector Verification of Competence Costs		
	Cost per building inspector	Source
Cost of initial certification	£600	Building Safety Competence Foundation ⁴
Surveillance costs (Yr2)	£225	
Re-verification (Yr4)	£600	

9.9 In addition to the fees charged for competency verification, it is anticipated that building inspectors will take time to prepare for the competency verification and the subsequent check at year 2. Table 4 sets out the assumed amount of time per inspector required to prepare for the competency checks.

Table 4: Building Inspector Verification Time per Inspector		
	Hrs per Building Inspector	Source
Hours per building inspector – initial certification	20	Estimated time required to prepare for verification of competency (DLUHC IA)
Hrs per building inspector – 2yr competency check	7.5	DLUHC IA

⁴<https://www.thebscf.org/competence-validation/#:~:text=By%202023%20all%20levels%20of,the%20scope%20of%20certification%20sought>

9.10 Table 5 sets out the hourly rate used to estimate the cost of the time required by building inspectors to undertake the training and application. This rate is an average between employment costs (salary rates plus on-costs) and charge out rates. This blended rate reflects that it is likely that inspectors will undertake training during time that could be spent undertaking paid work for their employer.

Table 5: Building Inspector Hourly Rate		
	Blended hourly rate	Source
Hourly rate for building inspector time	£79	Average rate between employment costs (salary + oncosts) and industry charge out rate – reflecting the cost of employing building inspectors

9.11 Table 6 sets out the results of multiplying the number of hours by the hourly rate. This provides an estimate of the time cost per inspector to prepare for the verification of competency assessments.

Table 6: Building Inspector Time Cost per Inspector		
	Time cost per inspector	Source
Time cost – initial certification	£1,580	Calculation
Time cost – yr 2 competency check	£593	Calculation

9.12 Those with the necessary skills, experience and qualifications will be verified as competent. The analysis assumes that 70% of applicants will be successful based on the estimates provided in the DLUHC IA⁵.

9.13 For those that are not successful, it is assumed that a proportion will leave the profession (part of the 3% assumed to leave the profession per annum) and the others will be registered as trainee inspectors (who are not required to have their competency verified) and will re-apply for registration as RBIs the following year.

Table 7: Verification pass rates		
	% of applicants	Source
Successful applications	70%	DLUHC IA
Unsuccessful applications	30%	DLUHC IA

Registration of Building Inspectors

9.14 Building Inspectors that are verified as competent will be able to register as RBIs. The cost of this registration process is set out in Table 8 below and is based on the information published by the BSR⁶:

Table 8: Building Inspector Registration Costs		
	Cost per building inspector	Source
Prepare application for registration	1 hr	DLUHC IA
Registration fee	£336	BSR Schedule of Fees and Charges

⁵ <https://www.legislation.gov.uk/uksi/2023/906/impacts>

⁶ <https://www.hse.gov.uk/building-safety/assets/docs/charging-scheme.pdf>

Annual maintenance fee	£216	BSR Schedule of Fees and Charges
Re-registration	Every 4 years	Policy

Familiarisation

9.15 It is anticipated that all building inspectors will spend time reading the guidance. The analysis assumes an average of 1 hour each per inspector.

Table 9: Familiarisation Time		
	Time per building inspector	Source
Time per inspector to read the policy guidance	1 hr	Consultants Estimate

Calculations

9.16 Table 10 sets out the estimated number of inspectors registering as RBIs each year based on the assumptions as set out in section 5.

Table 10: Number of Registered Building Inspectors

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
Number of initial applicants	408									
initial applications - new entrants (3%)		12	12	12	12	12	12	12	12	12
drop out rate (3%)		12	12	12	12	12	12	12	12	12
Reapplications		110	24	11	7	6	5	5	5	5
success rate (70%)	286	86	26	16	13	13	12	12	12	12
failure rate (30%)	122	37	11	7	6	5	5	5	5	5
number of registered building inspectors	286	371	397	401	402	403	403	403	403	403
number of trainee inspectors	122	37	11	7	6	5	5	5	5	5
total number of inspectors	408	408	408	408	408	408	408	408	408	408
re-registration (every 4 years)					273	73	13	4	275	74

9.17 Table 11 shows the results of applying the costs per inspector set out in section 5 to the number of inspectors set out in Table 6.1 to estimate the costs of the policy.

Table 11: Cost of the Policy

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
inspectors to read guidance	£32,242				
training costs to prepare for competency verification	£644,848	£174,109	£38,691	£17,411	£443,075
cost of competency verification training to prepare for yr 2 competency checks	£244,879	£73,464	£22,039	£13,958	£175,603
cost of yr 2 competency checks	£0	£0	£169,273	£50,782	£15,235
cost to prepare registration application	£32,242	£9,673	£2,902	£1,838	£23,121
Registered Building Inspector registration fee	£137,132	£41,140	£12,342	£7,817	£98,337

	£0	£61,709	£80,222	£83,131	£24,939
Registered Building Inspector annual maintenance fee	£1,059,101	£360,094	£389,749	£194,221	£786,095
	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
inspectors to read guidance					
training costs to prepare for competency verification	£125,184	£29,817	£14,749	£442,276	£124,945
cost of competency verification	£54,885	£18,669	£12,947	£175,299	£54,794
training to prepare for yr 2 competency checks	£9,649	£169,991	£50,997	£15,299	£9,668
cost of yr 2 competency checks	£3,664	£64,553	£19,366	£5,810	£3,671
cost to prepare registration application	£7,226	£2,458	£1,705	£23,081	£7,215
Registered Building Inspector registration fee	£30,735	£10,455	£7,250	£98,168	£30,684
Registered Building Inspector annual maintenance fee	£68,398	£81,435	£83,495	£25,049	£68,431
	£299,741	£377,379	£190,510	£784,982	£299,407

10. Results

10.1 The present value of the costs over 10 years of the policy are set out in the table below. These costs are presented in 2023 prices, a base year of 2024 and using an annual discount rate of 3.5%.

	Present Value Cost
Familiarisation Costs	£ 32,242
Policy Costs (10yr PV)	£ 4,155,986

10.2 These reforms require both primary and secondary legislation. The primary legislation was delivered through the 2022 Act and the secondary legislation is being delivered through a package of secondary instruments, which this instrument is one.

10.3 The new regime will start to be operational from April 2024, although the registers opened on 31 January 2024.

10.4 Welsh Ministers have worked with the BSR to designate functions for the oversight and regulation of the building control profession from January 2024.

10.5 Als have been able to register as RBCAs from 31 January 2024, with this becoming mandatory from April 2024. Transitional arrangements will be made for Als and any 'in-flight' work.

11. Competition Assessment

Q1: In the market(s) affected by the new regulation, does any firm have more than 10% market share?	No
Q2: In the market(s) affected by the new regulation, does any firm have more than 20% market share?	No
Q3: In the market(s) affected by the new regulation, do the largest three firms together have at least 50% market share?	No
Q4: Would the costs of the regulation affect some firms substantially more than others?	Yes
Q5: Is the regulation likely to affect the market structure, changing the number or size of firms?	No
Q6: Would the regulation lead to higher set-up costs for new or potential suppliers that existing suppliers do not have to meet?	No
Q7: Would the regulation lead to higher ongoing costs for new or potential suppliers that existing suppliers do not have to meet?	No
Q8: Is the sector characterised by rapid technological change?	No
Q9: Would the regulation restrict the ability of suppliers to choose the price, quality, range or location of their products?	No

11.1 This policy is likely to have impacts on AIs or prospective RBCAs due to the mandate to register. AIs or prospective RBCAs will need to register to continue to operate.

11.2 The impact of registered building inspectors' registration and familiarisation costs is likely to be proportionate to the size of the AI or prospective RBCAs, and hence this is unlikely to have a significant disproportionate impact.

11.3 Existing building control professionals, both public and private, will need to register to operate as registered building inspectors and prospective RBCAs will need to register to enter the market. Both will need to familiarise themselves with, and meet, the requirements for registration, and subsequent auditing, including in regard to competence. They will also need to familiarise themselves with the procedural changes to the building control process introduced by the Regulations.

11.4 RBCAs working as small businesses, or as sole traders, may face a comparatively higher burden in registering and meeting their requirements to do so. There may also be a comparatively higher burden familiarising themselves with procedural changes introduced by the building control sector reforms, including the changes to charging brought about by the Regulations. This could impact the number of small and micro businesses (including sole traders) continuing to operate as private sector building control inspectors in the market. However, any exemption for small or micro businesses (including sole traders)

would mean an unacceptable dilution of the competence necessary for a building inspector to operate effectively.

11.5 Cost recovery through costs such as registration for registered building control approval, audit, and inspection fees, may have an impact on small and micro businesses. These costs are likely to differ to those needed to register with CICAIR, which could have disproportionate impacts on those with low turnover rates due to impacts on their cash flow, should these charges be increased. This could therefore impact a small and micro business' decision to register as an RBCA.

11.6 Given potential changes in the cost of registration, a significant increase would have an impact on the number of small and micro businesses continuing to operate in the market. This would result in fewer choices for developers to choose as their building control approver and could result in both a reduced supply of building control approvers and worsened market competition outcomes. A future impact assessment on the charges will provide a further up-to-date assessment on these impacts.

11.7 However, the requirement to register as an RBCA is not unique to small or micro businesses. Any exemption for small or micro businesses would involve an unacceptable compromise of the high standards of competence that is necessary for a building control body to demonstrate.

12. Post implementation review

12.1 The 2022 Act included a statutory requirement on the Secretary of State to appoint an independent person to carry out a review of the regulatory system every 5 years, the first reviewer is to be appointed within five years of royal assent, although the same statutory requirement was not applied to Wales it is recommended that the Welsh Ministers adopt a similar approach.

12.2 This IA will be reviewed at 5 years, unless circumstances highlight a need for review earlier.