

Explanatory Memorandum to the Building (Higher-Risk Buildings Procedures) (Wales) Regulations 2025

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

Cabinet Secretary's Declaration

In my view, this Explanatory Memorandum gives a fair and reasonable view of the expected impact of the Building (Higher-Risk Buildings Procedures) (Wales) Regulations 2025. I am satisfied that the benefits justify the likely costs.

Rebecca Evans MS

Cabinet Secretary for Economy, Energy and Planning

17 December 2025

1. Description

- 1.1. This statutory instrument establishes procedural requirements for building control in relation to higher-risk buildings (HRBs) in Wales. It forms part of the implementation of the Building Safety Act 2022 and complements amendments to the Building Regulations 2010.
- 1.2. The Regulations set out the framework for building control approval, change control, mandatory reporting, and certification processes for HRBs, helping to ensure safety and compliance with applicable building regulations.

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

- 2.1. None.

3. Legislative Background

- 3.1. These Regulations are made under powers conferred by the Building Act 1984, as amended by the Building Safety Act 2022 (the 2022 Act). They apply specifically to Wales and are part of a suite of reforms aimed at improving building safety following the Grenfell Tower tragedy.
- 3.2. 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 the need for 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 and emphasised the need to raise competence levels across the profession and industry more widely.
- 3.3. The Welsh Government's 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 2022 Act.
- 3.4. The 2022 Act, which received Royal Assent in April 2022, brought forward a package of legislative changes in relation to building safety. For Wales, the 2022 Act introduces a range of legislative measures, including the creation of

new design and construction protocols, mechanisms to monitor the competence of professionals within the system, and broader enhancements aimed at promoting safer building practices. It also includes targeted provisions specifically addressing higher-risk buildings (HRBs).

3.5. The Regulations are part of a suite of new legislation which overall is intended to raise standards and safety across the built environment while providing clarity to industry on its responsibilities and duties. In particular, the Regulations replace certain procedural elements of the Building Regulations 2010 for HRBs and introduce new duties for clients, contractors, and designers.

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

3.7. The Welsh Ministers make the Regulations in exercise of the powers conferred on them by sections 1(1), 3(1), 30A(1), (3), (5), (6), and (9), 34, 35(2), 35B(7)(a), 35C(1)(a), 47(4)(b)(ii) and 91B(7) of, and paragraphs 1A to 1I, 5B, 5C and 10 of Schedule 1 to, the Building Act 1984.

4. Purpose and Intended Effect of the legislation

4.1. The primary aim of the Regulations is to establish a comprehensive and robust building control approval process specifically for HRBs. This framework is designed to enhance safety and accountability throughout from design phase through to completion of building work.

4.2. A key component of the Regulations is the introduction of a structured change control mechanism. This ensures that any design or construction changes are properly assessed, documented, and approved, maintaining the integrity of the original design and its safety features. Alongside this, the legislation mandates the creation and ongoing maintenance of the “golden thread” of building information - a digital record that supports informed decision-making and transparency throughout the building’s life.

4.3. To further strengthen safety during construction, the Regulations require the reporting of any safety occurrences. They also establish clear processes for applying for and issuing both full and partial completion certificates, ensuring buildings comply with required standards prior to occupancy. Additionally, mechanisms are provided for the regularisation of unauthorised work, helping to bring non-compliant developments into alignment with legal requirements.

4.4. Finally, the Regulations empower the Welsh Ministers to make determinations and hear appeals under section 30A of the Building Act 1984,

offering a formal route for resolving disputes. There are also provisions for appeals to magistrates' courts.

5. Summary of Key Provisions

Part 2 – Building Control Approval

Regulation 3: Requirement for Approval for new HRB work

- 5.1. This regulation prohibits commencement of new HRB work or stages of new HRB work without prior building control approval and requires application to the building control authority before starting work. This has been established to prevent HRB work from starting without formal approval, ensuring oversight and safety from the outset.

Regulation 4: Application Requirements

- 5.2. This regulation specifies the detailed information and documents required for building control approval applications for new HRB work. This is largely similar to the existing process of depositing plans but includes several new prescribed documents that need to be included. The content of these prescribed documents is described in Schedule 1 of these Regulations.
- 5.3. Where the application relates to a stage of work after the first stage, it must be accompanied by a statement setting out details of the stage of work to which the application relates, estimates for the start date of the remaining stages and plans showing how the work will comply with the requirements of the building regulations. Future stages will be subject to a similar process.

Regulation 5: Validity and Time Limits

- 5.4. Specifies the process the building control authority will take to determine a building control approval application for HRB work or a stage of HRB work. It sets a 12-week determination period for valid applications unless a longer period is agreed between the authority and the applicant.

Regulation 6: Consultation

- 5.5. Sets out the requirements for statutory consultation with fire authorities and sewerage undertakers where relevant, which includes a 15-working-day consultation period.

Regulation 7: Decisions

- 5.6. Outlines the criteria and process for determining a building control approval application for HRB work or a stage of HRB work and what the building control authority must do upon making a decision.
- 5.7. Allows conditional approvals with requirements for further documentation or staged progression.

Regulation 8: Power to require notifications

- 5.8. Provides that the building control authority may, by written notice, require the client to notify them, within a specified period, when a specified point of work, or stage of work, has been reached or not to cover up specified work within a specified period.

Regulation 9: Notices of intention to start work and for when work is “commenced”

- 5.9. Under regulation 9 the client or somebody acting on their behalf must notify the building control authority of their intention to start work on site at least five working days before the building work starts and state the date on which the work is to start. The requirement will provide the building control authority with sufficient forewarning before the construction phase begins.
- 5.10. Within 5 days after the work is regarded to be commenced (in line with the new definition of commencement under new regulation 46A of the Building Regulations 2010), the client or somebody acting on their behalf must give a notice to the building control authority.
- 5.11. Upon receiving a commencement notice the building control authority has a four-week period in which to assess whether work has commenced.
- 5.12. Regulation 9 also provides appeal rights if the authority disputes commencement.

Chapter 2 - Existing higher-risk buildings: building control approval to start building work.

5.13. Building work in existing buildings follows different building control routes depending on the work that is being carried out. Many building work projects are carried out under a competent person scheme, these schemes are provided for in regulation 20 of the Building Regulations 2010. Such scheme work will continue to be allowed in higher-risk buildings.

5.14. Where building work in an existing HRB is not going to be carried out under a competent person scheme, or consists of emergency repairs, the applicant will be required to submit a building control approval application to the building control authority relevant to the scale or type of the building work being undertaken.

Regulation 10: Notification of emergency repairs to existing HRBs

5.15. Allows work for emergency repairs to proceed without prior approval but requires post-work notification and regularisation. This allows urgent repairs to proceed swiftly, while requiring regularisation of the work to be applied for after the work is carried out.

5.16. Emergency repairs are defined by the regulation as repairs which must be carried out as a matter of urgency due to the risk to health, safety or welfare of persons in or about the building.

Regulation 11–15: Building control approval for work to existing HRBs

5.17. These regulations set out the process for applying for building control approval for work to an existing HRB. It mirrors the process for new HRBs but includes some adaptations to reflect the potential for the building work to be smaller in scale. Distinctions are set out in regulation 12 for Category A and Category B work.

5.18. Category A work is generally work that has the potential to affect people in more than one residential unit in the building and includes changing the number of floors in the building, changing the number of flats and other significant work to the building. Category B work is building work not covered by category A, and so typically work that only affects a single residential unit. Depending upon whether the building work is category A or category B, the prescribed documents required as part of the application vary. This reflects how much the scale of work to an existing HRB can vary, Category A work requires more extensive documentation and oversight.

- 5.19. Regulation 13 specifies that the building control authority must determine the building control approval application for work to an existing HRB within 8 weeks beginning with the date the application is received, or within such longer period the building control authority and the applicant agree in writing.
- 5.20. Regulation 14 sets out the requirements for statutory consultation between the building control authority and the relevant fire safety enforcing authorities and the sewerage undertaker.
- 5.21. Regulation 15 sets out the process for the building control authority determining a building control approval application for higher-risk building work or a stage of higher-risk building work and what it must do upon making a decision.
- 5.22. This regulation stipulates that the criteria the building control authority must apply when determining an application. If one or more of the criteria applies, the building control authority may either reject the application or, with the agreement of the applicant, conditionally approve it subject to requirements.
- 5.23. The types of requirements the building control authority may apply are:
- to require a specific plan or document, or revised version of either, be provided by a certain time, or
 - require that work cannot proceed beyond a certain point until a specific plan or document, or revised version of either, have been provided to and approved by the building control authority.

Regulation 16 and 17: Notifications for work to existing HRBs

- 5.24. Regulation 16 sets out that the building control authority may require a client to notify the building control authority when a specific point of work has been reached or not cover up any specified work for a specified period.
- 5.25. Regulation 17 places a requirement on the client or somebody acting on their behalf to notify the building control authority twice: before work starts on site and when work in relation to building work in an existing higher-risk building is to be regarded as commenced. The timeframes for this are the same as for new HRBs.
- 5.26. The timeframe and appeal routes for a building control authority to refuse a commencement notice are also detailed in this regulation and are the same as for new HRBs.

Part 3 – Changes before or during construction

- 5.27. Part 3 of the Regulations concerns changes to the work or the dutyholders following an application for building control approval being granted.

Regulation 18 to 26: Change Control

- 5.28. These regulations describe the different aspects of the change control procedures for the three types of controlled change: recordable, notifiable and major changes, and sets out the requirements for record-keeping and revised documentation.
- 5.29. Regulation 18 describes the different types of change control procedures and what may be done if several related changes are proposed simultaneously.
- 5.30. Regulation 19 sets out that the principal contractor is responsible for a change control log and describes the information which must be included within it. The information within the log must demonstrate that the change has been fully considered, and explain how compliance with the relevant building regulations will be achieved once the change is carried out.
- 5.31. Regulation 20 sets out notification requirements and provides for the building control authority to request further information. Notifiable changes are defined in regulation 26. Before implementing a notifiable change (and any work which relates to it), a notification must be sent to the building control authority, the change must be recorded in the change control log and any agreed documents which are affected by the change must be revised. That revision is itself a controlled change which must comply with the change control procedures.
- 5.32. Regulation 21 describes the contents of a change control application when major changes to the original approved application are proposed. Major changes are defined in regulation 26. Before implementing a major change, a change control application must be submitted to and approved by the building control authority, the change must be recorded in the change control log and any agreed documents which are affected by the change must be revised (that revision is itself a controlled change which must comply with the change control procedures).

5.33. Regulations 22 to 24 describe what the building control authority must do as part of considering a change control application, including the validation process, a six-week statutory time limit for determining the application and what it must do upon making a decision. These are similar to provisions for application for building control approval.

5.34. Regulation 25 provides the building control authority with the power to specify that a recorded change is a notifiable or major change; a notifiable change is a major change; or a major change is a notifiable change.

5.35. Regulation 26 defines what constitutes a major change, notifiable change and recordable change.

Regulation 27: New Client

5.36. Regulation 27 prescribes the process that must be followed when there is a change to the client for higher-risk building work, including where a client is unable to remain in their position.

5.37. The regulation sets out the requirements that are placed on both the outgoing client ("C" in the Regulations) and the new client ("N" in the Regulations). A change of client procedure is necessary to ensure the golden thread of information is not undermined and clients are aware of their responsibilities.

Regulation 28: Insolvency etc of the client: notifications

5.38. Regulation 28 sets out certain requirements that must be met in the event of a client experiencing an insolvency event or a receiver is appointed by the courts or by a mortgagee. The procedure is necessary to make sure the building control authority is informed when a client of a higher-risk building may be in financial difficulty.

Regulation 29: New principal contractor or principal designer etc: notification

5.39. Regulation 29 sets out certain requirements that must be met if a principal contractor (or sole contractor) or principal designer (or sole or lead designer) changes after building control approval for higher-risk building work has been granted. The procedure is necessary to make sure the building control authority is informed when a principal dutyholder changes and to ensure that the client fulfils the competence and dutyholder requirements in

Part 2B of the Building Regulations 2010 (inserted by the Building Regulations etc. (Amendment) (No. 2) (Wales) Regulations 2025).

- 5.40. Regulation 29 also prescribes a separate procedure where a principal dutyholder changes on a project with a domestic client. A domestic client is also defined in Part 2B of the Building Regulations 2010 (inserted by the Building Regulations etc. (Amendment) (No. 2) (Wales) Regulations 2025). A separate procedure is considered necessary considering some client duties may be carried out by a principal dutyholder instead of the domestic client. The purpose of the modified duties on the domestic client is to prevent onerous requirements falling on a domestic client, when they are likely to be carrying out building work contained within an individual dwelling. This applies unless the domestic client has chosen to retain the client duties themselves.

Regulation 30: Variation of a requirement imposed on a building control approval

- 5.41. Regulation 30 prescribes a procedure to enable dutyholders to request a variation to a requirement imposed when a building control application was conditionally approved. This procedure is separate to change control to reflect that requirements are different to controlled changes and are imposed by the building control authority. This regulation provides further flexibility during the construction phase, should the client consider that part of a requirement can be fulfilled, and work could progress while the rest of the requirement remains in place. In instances where this is the case, they can ask the building control authority to vary the requirement.
- 5.42. Applications under this regulation must be determined within 20 working days of receipt of notice, and the application is considered rejected if not approved within that time.

Part 4 – Golden Thread, Mandatory Occurrence Reporting and Information Handover etc.

- 5.43. Part 4 of the Regulations concerns the creation and storage of information and its handover to those responsible for the building after construction, and the new mandatory occurrence reporting system.

Regulation 31: Golden Thread

5.44. Regulation 31 specifies the information and documents that the client must ensure are kept as part of the golden thread of information before building work begins on a higher-risk building. It also specifies that this golden thread of information must be kept in an electronic format, accurate, up to date, secure from unauthorised access, able to be transferred electronically to others and available in a readable format which is intelligible to the intended readers. As far as is reasonably practicable the client should ensure the language, terminology, and definitions in the golden thread of information are consistent.

5.45. This regulation does not apply to work to existing HRB which consists only of scheme work or exempt work. Scheme work information requirements are covered in regulation 38.

Regulations 32 to 36: Mandatory Occurrence Reporting System

5.46. Regulation 32 makes it a requirement for the principal dutyholders to set up a mandatory occurrence reporting system before construction starts and maintain it throughout construction. The system must allow for prompt reporting of safety occurrences and those working on the project or visiting the site must be provided with sufficient information to enable them to use the system. The principal contractor and principal designer should ensure inspections of the building work and design work respectively for safety occurrences take place at appropriate times once construction has started.

5.47. Regulation 33: sets out the requirements of prompt notification and written reports of safety occurrences to the building control authority.

5.48. Regulation 34: provides the circumstances which may be used as a defence where a principal dutyholder has committed an offence by failing to follow the procedure in regulation 33.

5.49. Regulation 35 defines key terms for mandatory occurrence reporting, such as “safety occurrence”.

5.50. Regulation 36 specifies when the client appoints the principal designer and principal contractor, they must be satisfied that those appointed will be able to implement, operate, and maintain a mandatory occurrence reporting system, and provide the relevant information about any safety occurrences to the building control authority.

Regulation 37: Handover of Information

5.51. Regulation 37 requires clients to provide golden thread, fire safety information and other technical information to the responsible person upon completion no later than the date the work is completed, or where regulation 44 (partial completion certificates) applies no later than the date the part of the building is to be occupied.

5.52. The client must handover the specified golden thread information in such a way as to retain the filing structure in which it was kept, including each index, key or other information logically associated with it and the information must be provided in a format which enables the relevant person to read, keep and update the information.

Regulation 38: Scheme Work

5.53. Regulation 38 sets out information handover requirements for work completed under competent person schemes.

Part 5 – Completion Certificates

5.54. Part 5 covers the process for the application and provision of completion certificates for higher-risk building work. Assessing whether building work complies with relevant requirements of the building regulations is a vital part of building control.

Regulation 39–43: Completion Certificate Applications

5.55. Regulation 39 sets out the procedure and requirements for the submission of completion certificate applications for higher-risk building work. A completion certificate application must contain information about the “as built” building work, rather than how it was originally designed. This regulation specifies the application requirements, including plans, compliance declarations, and updates to documents created for the original application for building control approval.

5.56. Regulation 40 sets an 8-week determination period for the building control authority unless a further period is agreed between the authority and the applicant.

5.57. Regulation 41 sets out the requirements for consultation between the building control authority and the relevant Fire Safety enforcing authorities and the sewerage undertaker.

5.58. Regulation 42 requires the building control authority to inspect the completed building work for the purpose of assessing whether it complies with all applicable requirements of the building regulations before determining a completion certificate application.

5.59. Regulation 43 sets out the approval criteria and process for the building control authority determining a completion certificate application and what it must do upon making a decision.

Regulation 44: Partial Completion Certificates

5.60. Regulation 44 allows certification of parts of buildings prior to full completion. It sets out the requirements for a partial completion certificate application.

5.61. The majority of the information is the same as is required for a completion certificate application under regulation 39. The partial completion certificate application must also describe the building work which remains to be completed and submit a partial completion strategy. Paragraph 6 of Schedule 1 describes the partial completion strategy.

Part 6 – Inspections, Regularisation, Appeals etc.

5.62. Part 6 of the Regulations provides power to the building control authority to inspect work. It also provides a method for gaining retrospective approval for some unauthorised completed building work. It sets out the process for seeking a decision from the Welsh Ministers for an application for building control approval when the building control authority fails to make a decision.

Regulation 45: Inspections

5.63. Regulation 45 grants powers to the building control authority to inspect work and require information, for example, requiring the laying open of building work for inspection.

Regulation 46: Regularisation

5.64. Regulation 46 allows retrospective approval of unauthorised work, subject to compliance checks. Regulation 46 largely copies the approach in regulation 18 in the Building Regulations 2010 with adaptations to work with

the rest of the higher-risk regime. However, unlike regulation 18 of the Building Regulations 2010, where the building control authority determines that additional building work would be required to satisfy applicable requirements, the application must be rejected and an application for building control approval to conduct the work should be made in relation to the additional building work.

Regulations 47–55: Appeals and Section 30A Applications

5.65. These regulations provide routes and procedures for appeals against the building control authority, or the decisions of the Welsh Ministers where appropriate in relation to higher risk building work.

5.66. Decisions that may be appealed include a decision:

- to reject a building control application for higher-risk building work;
- to reject a building control application for a stage of higher-risk building work;
- to reject a building control application for work to existing HRB;
- to reject a change control application;
- to reject a completion certificate application;
- to reject a partial completion certificate application;
- to reject a regularisation certificate application;
- to specify a controlled change as being a major change or a notifiable change under regulation 25;
- to refuse a request to vary a requirement under regulation 30.

5.67. The building control authority has statutory timescales within which it must decide applications provided for in the Regulations. Section 30A of the 1984 Act provides that if the building control authority does not reach a decision within the timescale, or within an agreed extension to the timescale, applicants in relation to the prescribed applications will be able to apply to the Welsh Ministers for a determination of their original application.

5.68. Regulations 50 to 54 provide detail about section 30A applications. This includes: which applications in this instrument section 30A applies to; the procedure for making a section 30A application; how an applicant consents to electronic communications or rescinds that consent; the process for the Welsh Ministers to determine a section 30A application; and, the ability for the Welsh Ministers to appoint a person to determine a section 30A application on their behalf and to revoke that appointment.

Part 7 – Miscellaneous

- 5.69. Part 7 of the Regulations cover miscellaneous subjects such as work which is exempt from the procedural building regulations, further detail about enforcement provisions, consequential amendments to other Regulations and transitional provisions.

Regulation 56: Exempt Work

- 5.70. Regulation 56 defines types of work prescribed in Schedule 2 which are exempt from these Regulations (e.g. minor plumbing or insulation).

Regulation 57: Contraventions by the building control authority not to be subject to enforcement

- 5.71. Section 35(2) and 35B(7)(a) of the 1984 Act allow regulations to prescribe that contravention of certain duties in building regulations would not be an offence or subject to a compliance notice. Accordingly, regulation 57 prescribes certain duties imposed on the building control authority for that purpose.

Regulation 58: Stop Notices

- 5.72. This regulation sets out the list of provisions for which the building control authority is allowed to issue a stop notice in relation to higher-risk building work. This is a notice which immediately halts all or some building work on a site and is reserved for serious breaches of the building regulations presenting a risk of serious harm to people in or about the building.

Regulation 59: Transitional Provisions

- 5.73. Transitional provisions are set out in Schedule 3.

Schedules

Schedule 1 – Documents

- 5.74. Schedule 1 to the Regulations set out the contents of the prescribed documents which are to accompany an application for building control approval or completion certificate application (unless not included in Category B work as described in regulation 12).

Schedule 2 – Exempt Work

5.75. Schedule 2 prescribes the type of building work that is considered exempt from the procedures set out in this instrument. The prescribed building work is identical to building work exempt from procedures in the Building Regulations 2010.

Schedule 3 – Transitional Provisions

5.76. Schedule 3 sets out the transitional provisions for higher-risk buildings when these Regulations come into force. The provisions reflect the various scenarios depending upon whether public or private sector building control is being used (full plans route or initial notice route respectively), when full plans or an initial notice are accepted, rejected, or cancelled and how much the building work has progressed by 1 July 2026.

6. Consultation

6.1. A full public consultation was conducted between 26 March 2025 and 25 May 2025 on proposals that have informed these Regulations.

6.2. The consultation document detailed the Welsh Government's proposed continued implementation of the Building Safety Act 2022 and focused on procedural reform for building control, introducing new duties and requirements for the key decision makers in building projects and giving local authorities new enforcement powers.

6.3. The public consultation was drawn to the attention of a wide audience of key stakeholders such as Registered Building Control Approvers, 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).

6.4. In addition, to improve the consultation process key stakeholders from a variety of backgrounds in the sector were invited to pre-consultation workshop sessions to inform policy development.

6.5. The consultation responses informed the development of the Regulations and ensured alignment with the broader building safety framework. Some significant changes were made to consultation proposals as a result of the consultation exercise such as provisions for Domestic Clients detailed above.

6.6. The consultation documents and a summary of the responses are available at: [New building control regime for higher-risk buildings and wider changes to the building regulations in Wales | GOV.WALES](#)

6.7. In addition, and in accordance with section 14(7) of the Building Act 1984, the Building Regulations Advisory Committee for Wales (BRACW) were consulted during the consultation stage and subsequently in the consultation response stage regarding the proposed changes to the Building Regulations. They raised no objections to the changes.

7. Regulatory Impact Assessment

- 7.1. The new building safety regime is intended to improve the safety of building work in Wales, including new high rise residential buildings in Wales, building work in existing high rise residential buildings in Wales and improved oversight of other building work.
- 7.2. The design and construction phase regime will focus on the construction of new buildings and building works undertaken in existing buildings. Improvements to building safety during the occupation of buildings not undergoing building works is subject to the occupation phase new building safety regime. This analysis is only of the costs and benefits attributed to the Welsh design and construction phase regime (i.e. benefits attributed to the design and construction phase (not the occupation phase)).
- 7.3. The analysis draws in large part on the methodology, data sources and assumptions used in the analysis for the UK Government's Building Safety Act 2022 (hereinafter referred to as the England analysis). However, this analysis also reflects the different policy in Wales and draws on data reflecting the specific conditions and circumstances in Wales. The analysis builds on the [Economic Impact Assessment](#) published alongside the White Paper [Safer Buildings in Wales](#).

Executive Summary

- 7.4. The analysis estimates the cost to the Welsh Government, the local authorities in their role as building control bodies, to the Fire and Rescue authorities in their role as fire safety authorities, and to industry (to clients, principal designers, principal contractors, other designers and contractors) of complying with the range of additional requirements (for buildings in scope), over and above the current situation (the counterfactual), proposed under the policy option assessed in the analysis.

Buildings in scope

- 7.5. The proposals are about buildings that are being constructed or are undergoing building works.
- 7.6. Buildings in scope are divided into the following categories:
- Higher Risk Buildings (HRBs) – these are defined as residential buildings of height over 18m (or 7 storeys or more) containing 1 or more residential units; and including hospitals with overnight care, care homes or children's homes;
 - Non-High Risk Buildings - other domestic and non-domestic buildings.

Policies considered

7.7. The analysis assesses the costs of one policy option, over and above the counterfactual:

- Option 1: Business as usual (the counterfactual);
- Option 2: New building control regime for higher-risk buildings and dutyholder requirements for other building works.

Types of additional requirements considered

7.8. The additional requirements proposed under the policy options for higher risk buildings include:

- Gateways;
- Dutyholder requirements;
- Residents engagement
- Creation of the golden thread;
- Mandatory reporting;
- Sanctions and enforcement;
- Familiarisation costs.

7.9. The additional requirements proposed under the policy options for non-higher risk buildings include:

- Dutyholder requirements;
- Familiarisation costs.

Types of cost taken into account

7.10. The principal costs of compliance with the proposed policy that are assessed are:

- Additional time (costs) required to undertake tasks, and ;
- Any costs of purchasing goods or services.

7.11. Costs are divided into those that fall on:

- Industry and on;
- The Welsh Government, the local authorities in their role as building control bodies, to the Fire and Rescue authorities in their role as fire safety authorities.

Appraisal period etc

7.12. The following appraisal periods are used in the analysis:

- Costs – a 10 year policy appraisal period is modelled;
- Benefits – a 70 year appraisal period is used, reflecting the life of a building.

Start year and price year

7.13. The analysis uses a start year of 2027 and a price year of 2023¹.

Phase in and transition

7.14. Assume all buildings are in scope from Year 1.

Three scenarios are calculated

7.15. Three scenarios are calculated, a central estimate, a high and a low, to reflect the level of uncertainty regarding some of the assumptions used in the analysis.

Results

7.16. Table 1 shows the total costs of the policy option over 10 years.

Table 1: Total 10 Year Costs PV (£million)				
		Low	Mid	high
Higher Risk Buildings - Policy Costs				
Industry	Transition	£0.14m	£0.28m	£0.41m
Regulator	Transition	£0.01m	£0.03m	£0.05m
Industry	Annual	£4.75m	£7.27m	£9.84m
Regulator	Annual	£0.90m	£1.36m	£1.84m
Non-Higher Risk Building - Policy Costs				
Industry	Transition	£5.50m	£6.87m	£8.25m
Industry	Annual	£73.13m	£91.41m	£109.70m
Total Costs		£84.42m	£107.22m	£130.08m

Cost Results – further detail

7.17. The tables below provide future breakdowns of the costs results,

Estimated 10yr PV costs for Proposed Options (£m)

7.18. Table 2 and 3 show the estimated 10yr PV costs for proposed options for each policy area for Higher Risk Buildings and Non-Higher Risk buildings.

Table 2: Estimated 10yr PV costs for Higher Risk Buildings (£m)			
	Low	Mid	High
Gateways	£3.33m	£5.57m	£7.81m
Mandatory Reporting	£0.03m	£0.04m	£0.05m
Dutyholder Requirements	£0.91m	£1.17m	£1.43m
Golden Thread	£0.20m	£0.44m	£0.65m
Sanctions	£0.67m	£0.83m	£1.00m
Residents Engagement	£0.32m	£0.45m	£0.68m

¹ Economic Appraisals do not take account of inflation, hence a price year is selected, on which all prices used in the analysis are based

Appeals	£0.02m	£0.04m	£0.08m
Refurbishment	£0.31m	£0.38m	£0.44m
Total	£5.79m	£8.93m	£12.14m

Table 3: Estimated 10yr PV costs for Non-Higher Risk Buildings (£m)			
	Low	Mid	High
Dutyholder Requirements and Familiarisation Costs	£78.63m	£98.29m	£117.94m
Total	£78.63m	£98.29m	£117.94m

Table 4: Regulator 10 Year Costs PV (£million)			
	Low	Mid	high
Higher Risk Buildings - Regulator			
Building Control Bodies (BCB)	£0.65m	£1.01m	£1.37m
Fire and Rescue Authority (FRA)	£0.19m	£0.30m	£0.40m
Local Planning Authority (EHO)	£0.02m	£0.03m	£0.04m
Environmental Health Officers (EHO)	£0.04m	£0.06m	£0.08m
Welsh Government (WG)	£0.01m	£0.01m	£0.03m
Total	£0.90m	£1.40m	£1.92m

Benefits

7.19. The policy proposals will introduce changes to the design and construction for HRBs and other building works that will result in:

- Stronger oversight of building work;
- Increased duties and clearer accountability for those designing and constructing buildings, and
- Stronger enforcement against non-compliant works

7.20. The benefits of these changes are expected to include:

- Safer buildings that will reduce the risk of fire spread and structural incidents;
- Reducing the risk of another systemic issue occurring, of a similar magnitude to the defective external cladding issue, thus avoiding the cost of resolving the issue e.g. remediation;
- Encouraging greater oversight of building works will also have benefits for the construction industry and building owners in terms of improved quality of construction.

Monetised benefits - HRBs

7.21. The analysis estimates that 80 higher risk building will be built or refurbished in Wales under the new regime during the 10 year policy period:

- The analysis estimates the value of rework costs that could be avoided as a result of both safety changes and increased oversight during construction of

these. Together the proposals are estimated to achieve savings from **avoided rework costs of £1.08m over the 10 year policy period**;

- Also, on the assumption that the policy helps avoid the occurrence of a similar scale systemic building material issue, to that of defective ACM cladding, the cost savings will be substantial. 3% of buildings in England had defective ACM cladding installed. If it is assumed that the policy will reduce the risk of a similar scale defective building material being used in Wales in the future by, for example, 50%, then the avoided remediation costs in Wales would be in the region of **£2.89m**.

Switching Values – Non-HRBs

7.22. The proposed changes for building work on all other building types are expected to result in additional time being spent ensuring compliance with building regulations and the adoption of improved working practices that could help reduce rework, latent defects, intrusive surveys. The research has not found sufficient evidence available to say what proportion of this is attributable to these proposals. Therefore a ‘switching value’ approach has been used. This approach calculates the value of avoided rework costs that would have to be achieved for the policy to be cost neutral (i.e. for the value of benefits to equal the policy costs).

7.23. Based on the estimated annual value of construction activity used in the analysis (£2.4bn) and the estimated proportion of costs that comprise errors (5% to 21%), the analysis estimates that the policy will need to reduce the total amount of waste and errors on construction projects by between 2.2% and 9.3% for the benefits of the proposals to exceed the costs over a 10 year appraisal period.

Non-monetised benefits

7.24. The proposals covering design and construction complement the proposals introduced to improve safety within occupied buildings. Reducing the risk of fire spread and structural incidents will reduce the impact of these in terms of casualties, property damage and mental health impacts. In addition, the reduced risk will reassure residents and make them feel safer in their homes.

8. Competition assessment

8.1. We have carried out the filter test for the Competition assessment, the results of which suggested the Regulations are unlikely to have a significant

detrimental effect on competition. Therefore, we are not required to carry out a full competition assessment and have not done so.

8.2. There are no changes being made through these regulations that are likely to have any detrimental effects on competition.

9. Monitoring and Review

9.1. 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.

9.2. As such, we intend to commission an Impact Assessment of the changes to the building control profession in 2027 unless circumstances highlight a need for review earlier.