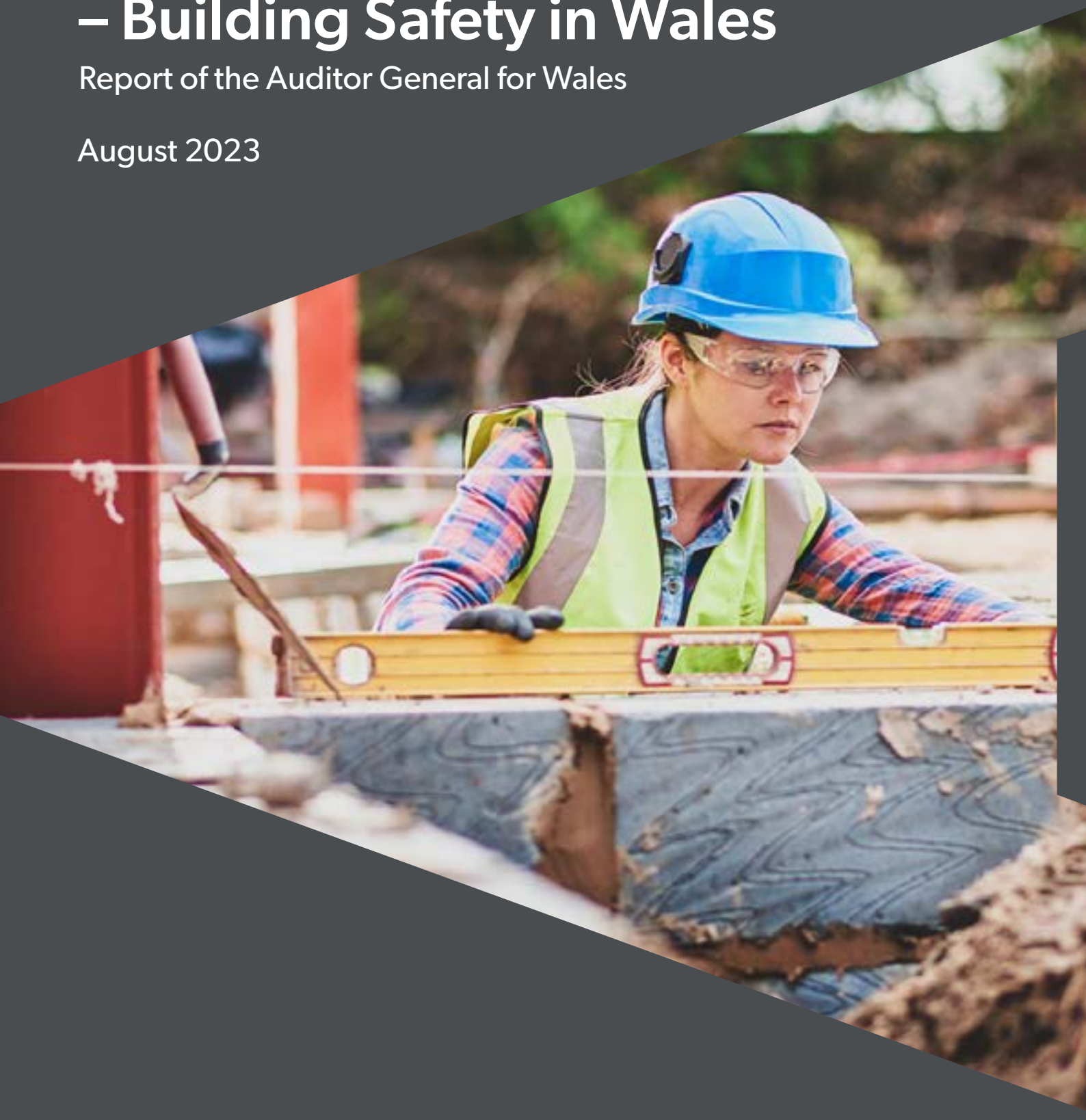


'Cracks in the Foundations' – Building Safety in Wales

Report of the Auditor General for Wales

August 2023



This report has been prepared for presentation to the Senedd under the Government of Wales Act 2006.

The Auditor General is independent of the Senedd and government. He examines and certifies the accounts of the Welsh Government and its sponsored and related public bodies, including NHS bodies. He also has the power to report to the Senedd on the economy, efficiency and effectiveness with which those organisations have used, and may improve the use of, their resources in discharging their functions.

The Auditor General also audits local government bodies in Wales, conducts local government value for money studies and inspects for compliance with the requirements of the Local Government (Wales) Measure 2009.

The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General.

© Auditor General for Wales 2023

Audit Wales is the umbrella brand of the Auditor General for Wales and the Wales Audit Office, which are each separate legal entities with their own legal functions. Audit Wales is not itself a legal entity. While the Auditor General has the auditing and reporting functions described above, the Wales Audit Office's main functions are to provide staff and other resources for the exercise of the Auditor General's functions, and to monitor and advise the Auditor General.

You may re-use this publication (not including logos) free of charge in any format or medium. If you re-use it, your re-use must be accurate and must not be in a misleading context. The material must be acknowledged as Auditor General for Wales copyright and you must give the title of this publication. Where we have identified any third party copyright material you will need to obtain permission from the copyright holders concerned before re-use.

For further information, or if you require any of our publications in an alternative format and/or language, please contact us by telephone on 029 2032 0500, or email info@audit.wales. We welcome telephone calls in Welsh and English. You can also write to us in either Welsh or English and we will respond in the language you have used. Corresponding in Welsh will not lead to a delay.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

Contents

Summary report

Context	4
Building Control and Building Safety in Wales	4
The Grenfell disaster and the Hackitt Inquiry	5
Key Conclusions	7
Key facts	9
Recommendations	11

Detailed report

1	Responsible bodies are yet to develop comprehensive plans that set out how the new and revised responsibilities introduced by the Building Safety Act will be addressed	15
2	Resourcing issues make it unlikely that local authorities can successfully implement the new building safety regime or that services are fit for purpose	23
3	There is little evaluation of building control services across Wales and no national comprehensive system of building safety assurance	39

Appendices

1	Audit Approach and Methods	46
2	Building Regulations Approved Documents	48
3	The Building Safety Regulator and Accountable Person	49
4	Scottish approach	51
	Operating model	51
	Response to Grenfell	52
	Local hub model	54

Summary report

Context

Building Control and Building Safety in Wales

- 1 Building Regulations are a set of legal requirements for the design and construction of new buildings, extensions, and material alterations to, and certain changes of use of, existing buildings. Building regulations help ensure that new buildings, conversions, renovations, and extensions (domestic or commercial) are safe, accessible and energy efficient.
- 2 The building regulations are defined by the Welsh Government and cover specific topics including structural integrity, fire protection, accessibility, energy performance, electrical and installation of combustion appliances. They also lay, for example, standards for drains, ventilation, protection against the ingress of water and protection against contamination including methane and radon gas. To help people to comply with them, the Welsh Government produces Approved Documents which offer detailed guidance and show ways of achieving compliance, expressed in simple functional statements – see **Appendix 2** for further information.
- 3 The primary responsibility for compliance with Building Regulations rests with designers, builders and building owners, and there are two routes open to them when seeking approval for their work¹. They can choose to pay for either:
 - a local authority inspector from the local council and run through Local Authority Building Control (LABC); or
 - an approved inspector from a government-approved private building control company.
- 4 In practical terms, if construction work is proposed, the work must comply with these Regulations. Although work on a new build or extension may proceed before any formal consent, nothing can proceed beyond the inspection stages without the approval of an inspector. When the building is completed to the satisfaction of an inspector, a Completion or Final Certificate is issued (depending on who has approved the work). This certificate is only provided when all work has been approved and a final site inspection has passed.

1 The system in Wales mirrors England and has largely been unchanged since the adoption of Part 2 of the Building Act 1984 which allowed for the introduction of approved inspectors as an alternative to obtaining building regulations approval from a local authority. In Scotland, all building control activities rest with local government and there are no private building approved inspectors.

- 5 They both work in the same way, checking plans prior to works commencing, physically inspecting work during the development, advising any changes as necessary to ensure compliance, before re-inspecting the job prior to signing the project off. However, only a local authority has powers of enforcement and prosecution where breaches of the Regulations occur. An approved inspector should hand the project over to the local authority if there are problems with the project that cannot be resolved informally. There can be heavy penalties, including fines and imprisonment, for breaches of the Regulations, although in practice this rarely happens.

The Grenfell disaster and the Hackitt Inquiry

- 6 The building regulation regime was unchanged for many years until the Grenfell Tower Fire of 2017, in which 72 people died. Following this tragedy, an independent review into Building Regulations and fire safety was commissioned by the UK (United Kingdom) Government. Chaired by Dame Judith Hackitt, the review's report² was published in May 2018 and exposed long standing and serious issues³ with the building safety system, including:
- **Ignorance** – regulations and guidance were not always read by those who needed to, and when they did the guidance was misunderstood and misinterpreted.
 - **Indifference** – the primary motivation of the system was to do things as quickly and cheaply as possible rather than to deliver quality homes which are safe for people to live in. When concerns were raised by others involved in building work or by residents, they were often ignored. Some of those undertaking building work failed to prioritise safety, using the ambiguity of regulations and guidance to 'game' the system.
 - **Lack of clarity on roles and responsibilities** – there was ambiguity over where responsibility lay, exacerbated by a level of fragmentation within the industry, and precluding robust ownership of accountability.
 - **Inadequate regulatory oversight and enforcement tools** – the size or complexity of a project did not seem to inform the way in which it was overseen by the regulator. Where enforcement was necessary, it was often not pursued. Where it was pursued, the penalties were so small as to be an ineffective deterrent.

2 Judith Hackitt, [Building a Safer Future](#), May 2018

3 Sir John Egan, [Rethinking Construction: Report of the Construction Task Force](#), November 1998

- 7 The report recommended a new framework to replace the complex system that had grown over decades, along with a need to change culture from one that prioritises structural integrity and design to one which has equal emphasis on fire safety quality controls. Following the Hackitt Inquiry, both the Welsh and UK governments prioritised work on addressing the review findings culminating in the Building Safety Act 2022 (the 'Act')⁴. The Act represents the biggest shake-up of building safety regulation since 1984 in England and Wales.
- 8 This report looks at how the Welsh Government, local authorities and their key partners are implementing the requirements of the Building Safety Act 2022. The focus of our review has been on assessing the preparedness of bodies to take on their new and enhanced responsibilities, the resilience of existing services, and the robustness of building safety assurance systems. **Appendix 1** sets out our audit approach and methods.

4 [Building Safety Act 2022](#).

Key Conclusions

- 9 Our overall conclusion is that responsible bodies – particularly local authorities and fire and rescue – are unable to effectively discharge their responsibilities and ensure buildings in Wales are safe.
- 10 In **Part 1** of the report, we consider the priorities set by the Welsh Government in respect of the Act and how well prepared local authorities are to deliver these. We found the Welsh Government prioritised responding to the Grenfell disaster, working with the UK Government. This resulted in the Building Safety Act 2022 which seeks to address longstanding problems in the regulation and oversight of building design and construction.
- 11 We found that the Welsh and UK governments are diverging in key policy areas, and some doubt remains on how the Act will be implemented in Wales, mainly because decisions in key areas are yet to be decided and agreed. This is creating uncertainty, with most local authorities who are responsible for delivering these changes and, by extension in terms of joint working, fire and rescue services, who are yet to develop comprehensive plans that set out how they intend to deliver their new and revised responsibilities.
- 12 In **Part 2** we consider the strength of local authority building control and enforcement services, the effectiveness of the fee-setting regime and how services are changing to strengthen resilience. We conclude that as a profession, building control and building safety face significant staffing challenges. An ageing workforce (see Key Facts below), poor succession planning, a wider lack of investment in services and training and development highlight that these services are neither resilient nor fit for the future.

- 13 We also have concerns with the financial management of building control, concluding that in some authorities current practices are potentially unlawful with services not operating in line with regulations and guidance. While the pandemic has helped local authorities modernise their services, utilising cloud-based IT (Information Technology) and remote working, their resilience nonetheless remains weak. Opportunities to strengthen services through collaboration and regionalisation are not being prioritised and little work has taken place in these areas.
- 14 Finally, in **Part 3** we examine building safety assurance arrangements. We found that the absence of a national framework for monitoring and evaluating building control and building safety means that local authorities and their partners are not working to agreed appropriate outcome measures, targets, or benchmarks. Coupled with limited scrutiny and evaluation of building control and building safety, and poor management of risk, we conclude that assurance systems are inadequate.



The Grenfell Tower fire was a national tragedy, the impact of which we continue to feel today. My report highlights major concerns with the implementation of the new system for Building Safety. Although it's heartening to see the passion and commitment from those working in the sector, I am concerned that not enough priority is being given to these services on the ground. The absence of robust plans, clear decision making, and adequate resources raises real fears that the new legislation will not be delivered and the problems it is seeking to address will remain.

Adrian Crompton

Auditor General for Wales

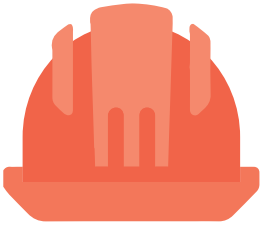


Key facts

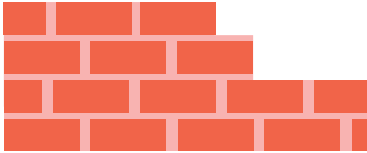


177 total number of staff in building control

11 total number of staff replaced in 2021-22

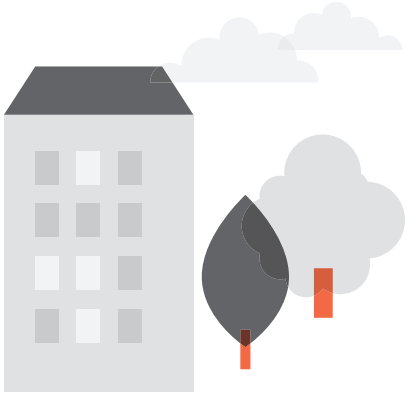


0 number of surveyors or managers who have a disability

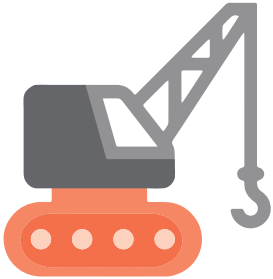


96% proportion of surveyors and managers that are white

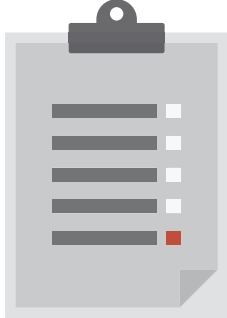
Of the of the **133** FTE surveyors and managers, **54.4%** are over the age of 50 and only **10%** under 30



21 total number of staff who left building control in 2021-22

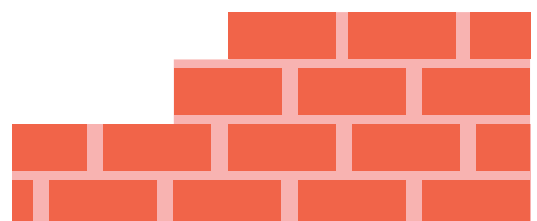
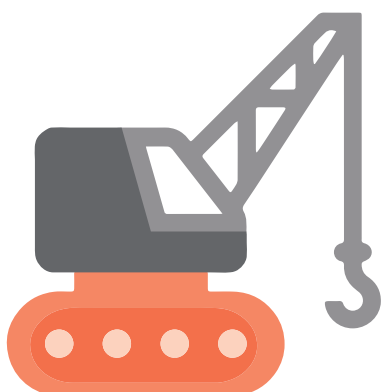
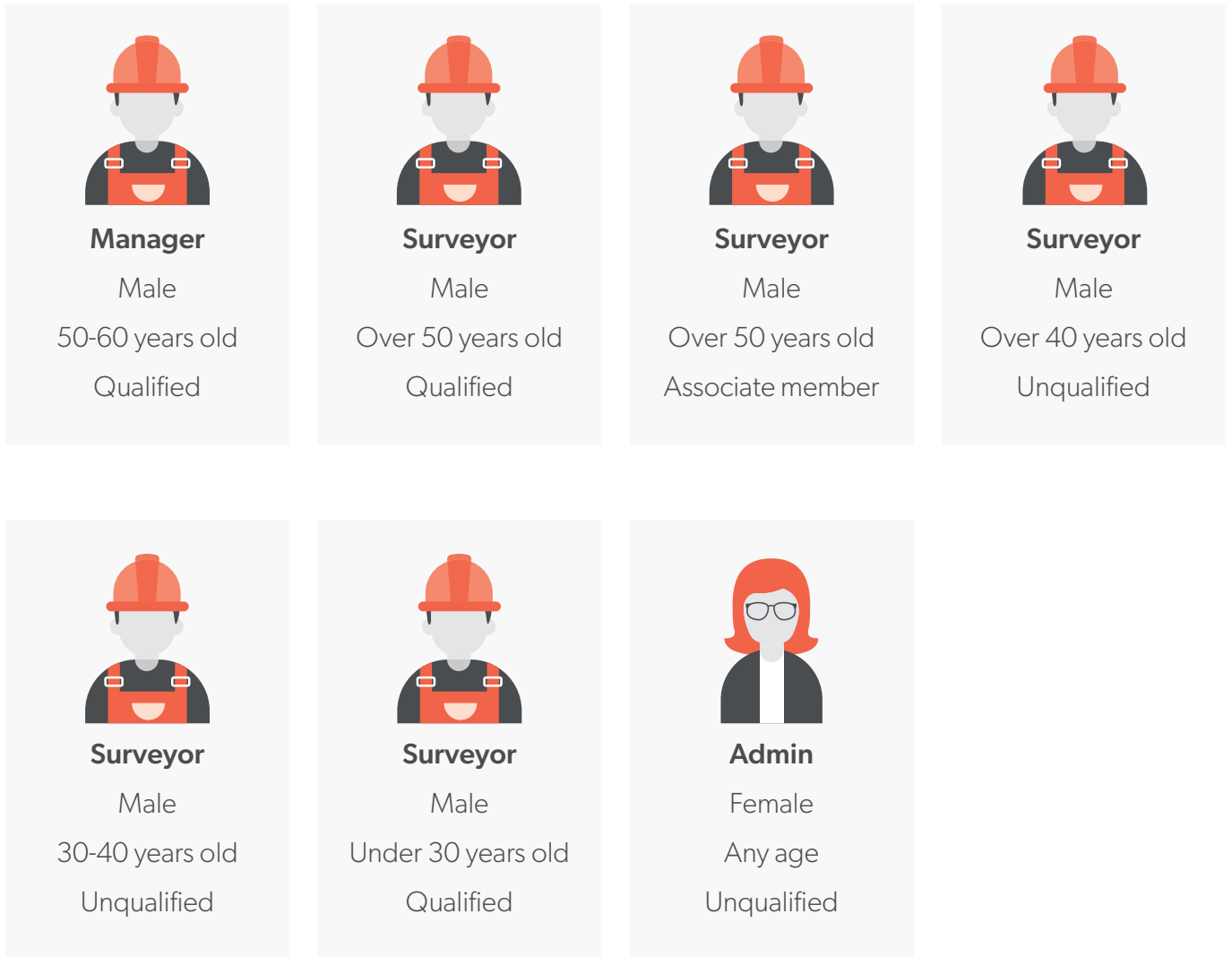


118 Average applications handled per surveyor/manager



100% proportion of admin staff that are white

The average local authority building control team is composed of:



Recommendations

- 15 Our recommendations are set out below. We expect the Welsh Government and individual local authorities to consider the findings of this review and our recommendations and to complete an organisational response form and publish this. We also expect each local authority governance and audit committee will receive the report and monitor their response to our recommendations in a timely way.

Exhibit 1: recommendations

Recommendations

- R1 The Welsh Government should provide greater clarity on the implementation and expectations of the Building Safety Act to ensure local authorities are able to deliver their new responsibilities and duties. This should include:
- clarifying the detailed requirements for competency and registration to enable local authorities to plan for these changes;
 - a specific timetable for development and adoption of Welsh guidance to ensure local authorities and others can deliver their duties; and
 - the Welsh Government should work with key stakeholders, such as LABC Cymru, to support understanding and implementation when guidance is issued.
- R2 The Welsh Government should ensure that it has sufficient resources to deliver the legislative and policy changes for Building Safety to reduce implementation risks.

Recommendations

- R3 The Welsh Government should review the mixed market approach to building control and conclude whether it continues to be appropriate and effective in keeping buildings in Wales safe. This should:
- assess the status quo against potential changes, such as the model of delivery in Scotland;
 - be framed around a SWOT analysis of costs, benefits, threats, and risks;
 - draw on existing research to identify good practice; and
 - be published and agree a way forward.
- R4 The Welsh Government should increase its oversight and management of the building control sector to ensure there is a robust assurance system in place for building control and safety by:
- creating a national performance framework with clear service standards to promote consistency of service. This should also include outcome measures to monitor performance and an evaluation and reporting framework for scrutiny.
 - developing a national building safety workforce plan to address the most significant risks facing the sector. This should include regular data collection and publication, as well as coverage of priorities, such as:
 - a greater focus on trainees to mitigate succession risks;
 - establishing aligned, national job roles matched to competency levels;
 - increasing the diversity of the sector to ensure it reflects modern Wales; and
 - specific funding to enable surveyors to obtain and maintain competence should also be considered.
 - the Welsh Government should explore with the further education sector how best to provide building control training in Wales to support succession planning, skills development, and competency.

Recommendations

- R5 Local authorities should develop local action plans that articulate a clear vision for building control to be able to plan effectively to implement the requirements of the Act. The Plans should:
- be based on an assessment of local risks and include mitigation actions;
 - set out how building control services will be resourced to deliver all their statutory responsibilities;
 - illustrate the key role of building control in ensuring safe buildings and be linked to well-being objectives and other corporate objectives; and
 - include outcome measures that are focused on all building control services, not just dangerous structures.
- R6 Local authorities should urgently review their financial management of building control and ensure they are fully complying with Regulations. This should include:
- establishing a timetable of regular fee reviews to ensure charges reflect the cost of services and comply with the Regulations;
 - annually reporting and publishing financial performance in line with the Regulations;
 - ensuring relevant staff are provided with training to ensure they apply the Regulations and interpret financial reporting correctly; and
 - revise fees to ensure services are charged for in accordance with the Regulations.
- R7 Local authorities should work with partners to make better use of limited resources by exploring the potential for collaboration and regionalisation to strengthen resilience through a cost benefit analysis of partnering with neighbouring authorities, establishing joint ventures and/or adopting a regional model where beneficial.

Recommendations

- R8 Local authorities should review risk management processes to ensure that risks are systematically identified, recorded, assessed, mitigated and subject to regular evaluation and scrutiny.



Responsible bodies are yet to develop comprehensive plans that set out how the new and revised responsibilities introduced by the Building Safety Act will be addressed

01

- 1.1 In this section of the report, we consider the Welsh Government's response to Grenfell and the changes introduced, and planned, in the Act. We identify how local authorities and their partners are preparing for these changes and provide an analysis of how well placed they are to deliver them.

The Welsh Government prioritised work on responding to the Grenfell disaster and elected to work with the UK Government on the Building Safety Act 2022

- 1.2 Following the Grenfell tragedy and the findings of Dame Judith Hackitt's inquiry, the Welsh Government established a Building Safety Expert Group. The view of the Expert Group was that while the flaws in the system are equally valid in Wales as they are in England, the context and therefore the solutions need to be different.
- 1.3 The scale of the high-rise landscape in Wales is not comparable to England where there are estimated to be over 11,000 high-rise buildings. At the time of the Expert Group work there were 147⁵ high-rise residential buildings in Wales with up to five additional high-rise buildings being built each year.
- 1.4 In March 2019, the Expert Group published a roadmap⁶ for making buildings in Wales safer, setting out both longer-term priorities but also shorter-term interventions that could be implemented immediately to ensure the failings of Grenfell were not replayed in the future. The Expert Group recommended:
- clarifying key roles and responsibilities;
 - ensuring the imbalance between building designers, contractors and regulators is tackled;
 - creating a single system with consistent standards by addressing the mixed economy of the two-tier system for building control with both public and private building control;
 - improving capacity and competence of building control officers;
 - creating an enforcement and sanctions regime which is delivering effective compliance and guaranteeing safety; and
 - raising standards with non-safe buildings being improved.

5 As of March 2023 there are 171 high-rise residential buildings.

6 Building Safety Expert Group, [A Road Map to safer buildings in Wales](#), March 2019.

- 1.5 In January 2021, following the work of the Expert Group, the Welsh Government published its 'Safer Buildings in Wales white paper'⁷. The White Paper proposed revisions to the building safety regime and the separation of roles between duty holders and residents. Following consultation, most respondents agreed with the proposed approach but wanted, as much as possible, the Welsh policy regime to be consistent with England. Consequently, the Welsh Government elected to proceed jointly on some aspects of the UK Government's planned legislation, to take advantage of economies of scale and ensure appropriate alignment across England and Wales.

There is uncertainty as to how key elements of the Building Safety Act 2022 are being implemented in Wales

- 1.6 The [Act](#) received Royal Assent on 28 April 2022 and focuses on the following key areas:
- the safety and standards of all buildings;
 - assuring the safety of higher-risk buildings, both in construction and occupation;
 - improving the competence of the people responsible for overseeing, managing, and delivering works to higher-risk buildings;
 - ensuring clearer standards and guidance; and
 - putting residents at the heart of a new system of building safety.
- 1.7 Alongside the Act, there have also been changes to fire safety law for buildings containing two or more sets of domestic premises in England and Wales. The Fire Safety Act 2021⁸ clarifies application of the Fire Safety Order on who is responsible for managing and reducing fire risks in different parts of multi-occupied residential buildings and the parts of the building it relates to – for instance, the external wall, and doors between domestic premises and common parts.

7 Welsh Government, [Safer Buildings in Wales: A Consultation: A Building Safety White Paper](#), 12 January 2021

8 [The Fire Safety Act 2021](#)

- 1.8 Through these changes, the Welsh Government wants to ensure there is absolute clarity about who has responsibility for the safety of a building at each different point in the process. The Construction (Design and Management) Regulations 2015 already set out who the key people are during a construction or refurbishment project. The Client, Principal Designer, Principal Contractor, designers, and contractors are all identified as 'dutyholders.'
- 1.9 Additional duties have now been placed on dutyholders in relation to building safety. Looking forward, they will be required to cooperate and share information with relevant regulatory bodies and will be responsible for ensuring compliance with building regulations. They will also need to ensure that they, and the people they employ, are competent to do the work they are undertaking. They will also have to comply with the regulatory requirements imposed on them.

The Building Safety Act 2022 came into force in April 2023. All aspects of the Act apply to England, but only Part 3 (with some minor exceptions) applies to Wales. Subsidiary legislation and guidance on Part 3 are currently being introduced by the Welsh Government, with full implementation and compliance set for April 2025. In addition, the Welsh Government is also developing legislation that will deal with the areas covered in Part 4 of the Building Safety Act 2022. This includes introducing a new Regulator for Wales (yet to be decided) and equivalent duty holder roles such as the Accountable Person.



1.10 These reforms apply to every eligible building project, whether it is building an extension, a block of flats or a shopping centre. The Welsh Government will therefore require that higher-risk buildings⁹ within the scope of the different changes taking place to the various Building Safety Regimes will pass through stop points or 'Gateway points' before they can pass to the next stage of works. On its current timetable, the Welsh Government anticipates the new design and construction (building control) regime that covers Gateways will come into force in April 2025. The three Gateways are:



1.11 When passing through a Gateway point, those designing and constructing the building will have to evidence that the design and construction meet, and continue to meet, regulatory requirements and ensure that adequate safety measures and building information are in place so that they can be appropriately managed, maintained, and improved. They will also have to think about how building safety will be managed when the building is occupied. Consequently, the Act and subordinate legislation are aimed at creating a universal change in responsibility and culture within the building industry through the introduction of clearer standards and guidance and the establishment of a more effective regulatory and responsibility framework for the construction industry.

9 The definition of 'Higher-risk building' differs between England and Wales. In early 2023, the Welsh Government consulted on their proposed definition of 'a building that is at least 18 metres in height or has at least seven storeys where it also contains at least one residential unit or is a hospital or a care home'. The outcome of the consultation has not yet been published. In England, a building requires at least two residential units.

- 1.12 Importantly, the Act clarifies who has responsibility for fire and building safety throughout the life cycle of a higher-risk building and establishes two new roles to make this ambition a reality – in England this will be the Building Safety Regulator and the Accountable Person. In respect of the Building Safety Regulator, the UK Government has elected to appoint the Health and Safety Executive to deliver this function (see **Appendix 4** for further detail).
- 1.13 At present, the Welsh Government is planning to make the Building Control functions of the regulator for high-risk buildings a role for local authorities, but is yet to set out how this element of the new regime will work or what its expectations of local authority services are. The Welsh Government's decision to make local authorities the Building Safety Regulator for oversight of high-risk buildings is viewed with unease by some we have interviewed. Several approved inspector bodies (who work across England and Wales) and some fire and rescue service staff raised concerns that local authorities are not sufficiently resourced or suitably experienced to deliver this role. Instead, they would prefer to see Wales adopt the Building Safety Regulator system planned in England.
- 1.14 Overwhelmingly, local authorities and fire and rescue services are concerned about the late development and/or notification of policy decisions and options in implementing changes to the building safety regime introduced by the Act. For instance, every local authority officer interviewed raised concerns over the lack of detail on the process for registration of the Building Control profession, one of the most significant features of the Act, and something which will affect all Welsh local authorities, not just those with tall residential buildings.
- 1.15 Everyone working in building control, in both the private and public sector, will soon have to register if they want to continue to practise. In addition, all local authority building control surveyors will need to complete a regular formal assessment of their competence. Building surveyors and managers will need to be suitably qualified before they can practice, although there may be some transition time for this to take place. If training is required before they can undertake work, then this will take resources out of already stretched teams and backfilling may be needed to cover for this.
- 1.16 Taken together, these changes will have a significant impact on local authorities. However, at the time of our audit the new system had not been set out in draft nor consulted on. The Welsh Government plans to introduce the registration of all Building Inspectors and Building Control Approvers from October 2023. This is creating uncertainty and ambiguity and is reducing buy-in from those with building safety responsibilities, especially given the ever-decreasing window of opportunity.

1.17 Welsh Government officials we interviewed acknowledge that they have not been able to resource policy work as quickly as they would like, and this has not been helped by the recent retirement of two key members of staff who have been central to driving the changes in Wales. Consequently, many local authority officers noted a growing unease that progress in Scotland is well ahead of England and Wales, and England is now advancing more rapidly than Wales. This uncertainty is adding to their already challenging operating environment.

Most local authorities and fire and rescue services have a good understanding of local building safety risks but are yet to set out how they plan to deliver the requirements of the Act

- 1.18 The implications of the Act are wide ranging and local government needs to be well advanced in its preparation for delivering these enhanced responsibilities. Even though key policy choices are yet to be finalised in Wales, we would still expect to find those who manage building control and safety teams to understand the impact of the Act, especially the consistent Welsh Government messaging on the increased level of expertise that will now be needed to achieve and demonstrate competence and compliance.
- 1.19 Through our fieldwork we found that in general, both local authority and fire and rescue building safety staff have a good understanding of the number and locations of high-risk buildings. However, many admit that the level of detail and knowledge of design, construction and maintenance of these buildings varies and not all those we interviewed felt confident that they had an accurate and up to date picture. Despite this, we found that there is limited action taking place or planned in terms of updating and improving knowledge of the potential high-risk buildings within each area.
- 1.20 Many interviewees also flagged a lack of understanding on the potential implications of the Act both at a corporate level but also directly in key areas of operational activity, such as housing services. While most officers noted that there was an increased awareness in building safety immediately following the Grenfell disaster, the overwhelming majority noted that over time attention has since waned. Indeed, most noted that building control as an area of work rarely features as a corporate priority, and there is poor knowledge and understanding of the implications of the Act.

- 1.21 Very few local authorities have developed a specific plan to implement the changes being made to the building safety regime. In addition, no one we interviewed in local government could articulate a clear vision on what their service will need to achieve in terms of the Act and their enhanced responsibilities, nor a route map for its achievement. This reflects the low corporate priority given to building control. This is something that was echoed in our interviews with fire and rescue service staff, several of whom raised concerns with both the Welsh Government's and local government's prioritisation of building control services.
- 1.22 For example, building control is not a standalone service in 21 of the 22 local authorities and is most usually located in planning services and overseen by the lead officer for planning. There are also no member champions for building control. This means that the service often lacks agency, profile, and recognition. This contributes to building control officers feeling powerless, with most left to get on with it and manage as best they can, focusing on addressing day-to-day issues, rather than being able to invest time in planning for the medium to long term.
- 1.23 Overall, managers are focussed on maintaining service delivery and are not preparing or planning for the Act's reform of services. This is partly a result of the significant uncertainties that remain about how the Act will be implemented in Wales. The result is that local authority building control services have little influence and no prioritisation and are working in a very uncertain environment.



**Resourcing issues
make it unlikely that
local authorities can
successfully implement
the new building safety
regime or that services
are fit for purpose**

02

- 2.1 In **Part 2** of the report, we set out how building control services are currently provided, primarily looking at the operating environment for local authorities but also considering the role of approved inspectors. We summarise the staffing and resource challenges facing the profession and how well positioned services are to overcome these.

Building control as a profession faces significant staffing challenges

- 2.2 To effectively implement the Act requires local authorities and others to have staff who are competent, appropriately qualified, and adequately supported to maintain and update their skills and knowledge. In addition, it is also important that staff have opportunities to develop their experience, particularly in more complex buildings and changing construction standards, to be able to provide efficient and effective services.

Building control is no longer seen as a good career choice and the challenging demographics are severely impacting the short and long-term resilience of services

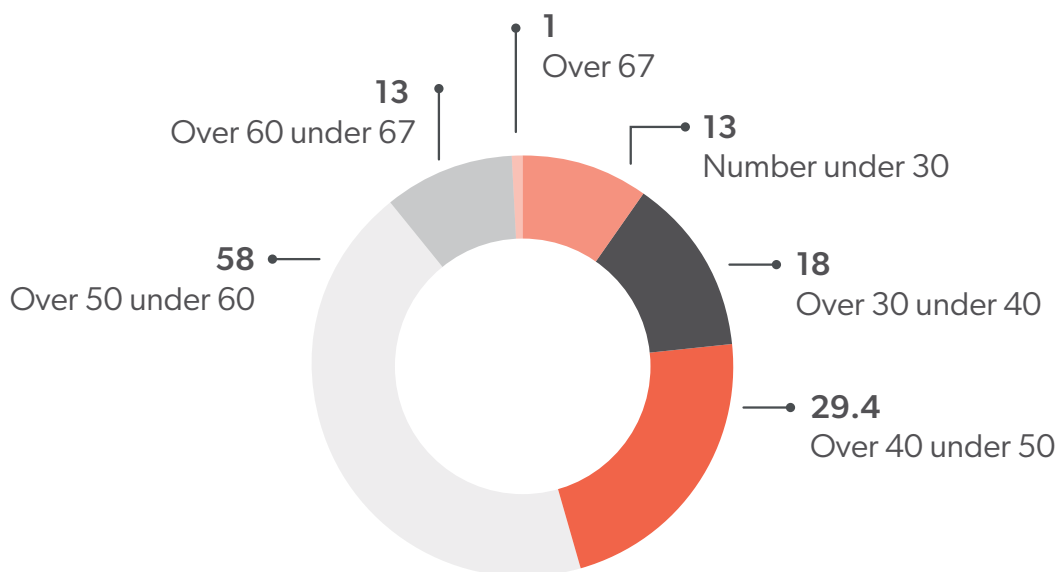
- 2.3 Historically, building control was seen as a positive career role. Many managers we interviewed noted that they had joined their local authority as a trainee and had benefitted from opportunities to progress their knowledge and responsibilities over time and had been supported to develop their careers within the organisation. However, in recent years this has changed. The impact of austerity has suppressed wages and reduced staff numbers to the extent that local authority building control roles are no longer seen as financially attractive and with less opportunity for career progression than in the past.
- 2.4 This is borne out by the ongoing recruitment challenge facing local authorities who struggle to fill vacant posts, even where market supplements are offered. For instance, at the end of March 2022, there were 18.5 Full-time Equivalent (FTE) vacant roles across Wales, including 14 building surveyors. Despite the detrimental impact on service delivery, only 2.2 FTE agency staff were appointed to bolster services and despite the increase in building control applications made during the pandemic and 2021-22.

2.5 Our survey of local authority building control services found that at the end of March 2022, there were 133 FTE building surveyors and managers and 44 admin staff working in these services. This translates to a surveyor or manager for every 23,361 residents in Wales. In comparison, the most recent published data in Scotland reported 498 building surveyors and managers and 134 admin staff¹⁰, which equates to one surveyor or manager for every 10,633 residents.

2.6 In addition to the ongoing recruitment and retention challenge, the age profile of local authority building surveyors is also concerning. **Exhibit 1** shows that of the 133 FTE surveyors and managers, 54.4% are over the age of 50 and only 10% under 30. This highlights operational and service continuity risks for local authorities which are likely to see a major loss of experience and knowledge when people retire in the next decade.

Exhibit 1: building control managers and surveyors by age March 2022

The ageing building control workforce represents a major risk for the implementation and delivery of the new building safety regime.



Source: Audit Wales survey

10 Data for 2021-22 not yet available. No comparative data for England exists. Scottish Government, Building Standards Workforce Data Collection Analysis Report 2021, June 2022

- 2.7 In particular, the loss of experience in the manager cohort is a significant risk. Of all managers, 10 (46%) have worked in local authority building control services for over 30 years, while 15 are over the age of 50. There is a widespread expectation that significant numbers of managers and surveyors will retire due to the uncertainty surrounding the registration and competency requirements (see above **paragraphs 1.15 – 1.17**). This will lead to a further reduction in capacity, and a loss of experience and leadership during a critical time of change when expectations and demands on services are increasing.
- 2.8 At the other end of the career cycle, very few trainees are being recruited to bolster services and address looming resource and experience gaps. Just seven trainees were in place in 2022, with only four in permanent roles following the completion of their studies¹¹. Managers cited a lack of corporate support to take on trainees and the risk of losing newly qualified staff to approved inspectors as key barriers. This makes succession planning extremely challenging for all local authorities. More widely, the lack of fire engineers, a shortage of surveyors and assessors with sufficient knowledge of both high-rise structural safety and cladding systems, continue to be a concern.
- 2.9 The Local Government Association¹² in England has reported similar recruitment and retainment issues, noting that 43% of authorities struggle to recruit building control officers. Likewise in Scotland, similar demographic and succession issues were also identified but the earlier implementation of key changes has resulted in a more directive approach from the Scottish Government.
- 2.10 The Scottish Government developed a national workforce strategy¹³ and had a vision to establish a sustainable, skilled workforce that makes building control 'a profession for everyone'. To support this ambition in Scotland, a Professional Competency Framework was introduced in May 2021. The framework helps to ensure that building verifiers at each level can demonstrate being suitably competent and is embedded through the Competency Assessment System¹⁴. This drives improvement based on current skills and is supported by other developments in the sector, such as a local authority hub (see **Appendix 4** for further information).

11 Training for apprentices and new entrants is mainly provided under the National LABC programmes hosted by the University of Wolverhampton. The [Building Control Surveying Degree Apprenticeship](#) can train surveyors to different levels of competency related to their role. As a surveyor progresses through the levels, they can assess more complex buildings and obtain higher-level roles.

12 Local Government Association, [Local Government Workforce Survey 2022](#), May 2022

13 Scottish Government, [Building standards verification service: workforce strategy](#), October 2020

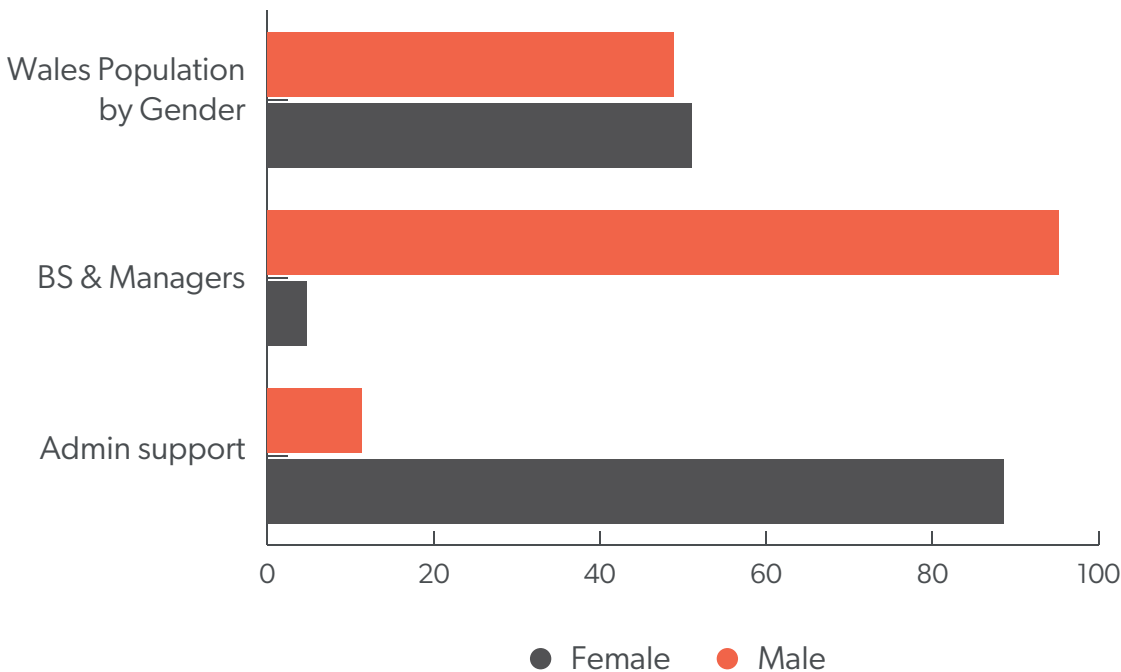
14 Scottish Government, [Building standards - verifiers: professional competency framework](#), May 2021

2.11 Scottish Government officials believe that the loss of experienced staff – 48 people (primarily building surveyors and managers) resigned from Scottish local authority building control services in 2021, following the quicker implementation of the new regulatory regime – is now being addressed. Through its workforce strategy and competency framework, local authorities are prioritising the upskilling of people and recruiting more apprentices. At this time, there are no mitigatory actions akin to the Scottish Government’s work planned in Wales.

2.12 The building control workforce also lacks diversity and is not representative of modern Wales. Our survey found that 100% of administrative staff and 96% of building surveyors and managers classify themselves as ethnically white Welsh or white British, and only 5% of administrative staff and no building surveyors or managers self-identify as having a disability. In addition, the roles within the workforce are clearly split along gender lines – **Exhibit 2**.

Exhibit 2: the gender of building surveyors, managers, and administrative staff in Welsh local authorities in March 2022

Professional building surveyor and manager roles are overwhelmingly occupied by men and lower-paid administrative roles by women.



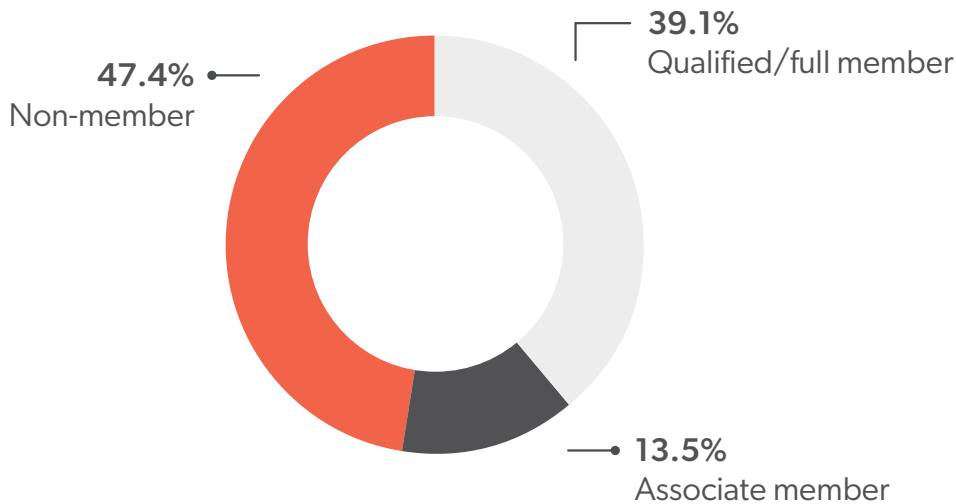
Source: Audit Wales survey and ONS (Office for National Statistics), [Population and household estimates, Wales: Census 2021](#)

Access to training is limited and staff are not being supported to enhance and maintain their skills and knowledge

2.13 To meet the registration requirements of the new building safety regime and ensure staff are competent to practise requires local authorities and their partners to invest in sufficient and timely training. Carefully planned and recorded continuing professional development and technical training are essential to keep abreast of modern technology and changing legislative requirements and their practical application. Importantly, professional accreditation such as membership of the Chartered Institute of Building, the Chartered Association of Building Engineers and Royal Institute of Chartered Surveyors is recognised as crucial to demonstrate competence. **Exhibit 3** shows that in March 2022 less than half of building surveyors and managers in Wales were full qualified members of a recognised and appropriate professional body.

Exhibit 3: the proportion of building surveyors and managers who are members of professional bodies and their grade at the end of March 2022

Less than 40% of building surveyors and managers are qualified and full members of professional bodies.



Source: Audit Wales survey

- 2.14 Additionally, some staff noted a growing problem of local authorities no longer paying for professional subscription fees because of pressures on finances. However, the need to demonstrate competence to meet the new registration standards is likely to place additional demands on local authority budgets to increase resources in professional training and qualifications to ensure they can deliver their statutory responsibilities. Most of the local authority officers we interviewed noted that this is not being factored into future budget setting.
- 2.15 The average number of training days taken by local authority staff in 2021-22 was five days for managers, six days for building surveyors and two days for administrative staff. Building Control officers we interviewed were clear that opportunities to train were, however, continuing to be limited by ongoing budget pressures and are often not actively promoted to avoid frontline staff being taken out of service delivery, even for short periods of time.
- 2.16 The building control fee setting guidance allows local authorities to increase their charges to pay for training and development to ensure they maintain a competent and skilled workforce. However, despite building control officers highlighting the importance of accruing money to fund training for staff, they noted that surpluses are often taken to fund other corporate priorities.
- 2.17 In March 2023, the UK Government provided a £16.5 million grant to the LABC to fund 110 new building control trainees for England to support the implementation of the Building Safety Act. No such funding has been provided by the Welsh Government. Despite a lack of investment, the LABC in England continues to make available training opportunities for Welsh local authority staff.
- 2.18 The resilience issues affecting Welsh local authority building control services are being felt in other parts of the industry. We found that the retention and recruitment issues facing local authorities are similarly being experienced by Welsh fire and rescue service. The lack of competitive reward packages and an ageing workforce with increasing numbers likely to take retirement in the short term is a growing challenge. Similarly, there are ongoing problems with the availability of qualified fire engineers and competition with the private sector, which offers better terms, conditions, and salaries, continues to encourage experienced fire and rescue service staff to leave.

2.19 Historically, where Welsh local authority staff have left, it has been most usually to join approved inspectors who offer more attractive salaries, terms of conditions of service, such as bonuses and company cars; have less responsibility for dangerous structures and enforcement cases; and are not dealing with the ongoing pressures created by austerity. However, in recent years the flow of staff from local authorities to approved inspectors has reduced and private sector building inspection services are also beginning to struggle to recruit sufficiently qualified and experienced staff. Representatives of several approved inspector bodies we interviewed noted that they have now begun to focus on growing their future workforce through trainee programmes due to a lack of available qualified staff in both England and Wales.

The pandemic has helped local authorities modernise their services, but enforcement remains a problem

2.20 Despite the resourcing pressures faced by local authority building control teams, most continue to deliver their work effectively. This continued throughout the pandemic, which helped to accelerate efficiency improvements with the switch to home based working and digitisation of services.

2.21 At the time of the pandemic most building control surveyors used to travel to sites, meeting people face to face and making decisions on the ground, but with COVID-19 most of these processes could not be continued. Instead, building control services focused on finding solutions to their traditional ways of working by updating and changing services. Whilst some authorities were fully digital, for others the pandemic created an opportunity to improve their use of technology and switch to cloud-based services to both optimise efficiency and performance, but also bring working practices into line with the private sector. Several interviewees noted that without the pandemic, these developments would not have happened as quickly, if at all.

2.22 Enforcement is an important part of ensuring that buildings are safe and compliant. Activity can range from persuasion and dialogue to encourage change, to more hard-edged measures such as prosecution or the refusing to issue a completion notice. Through our fieldwork we found that enforcement remains problematic, mainly because local authority building control has two potentially conflicting functions.

- 2.23 Firstly, they are the local regulator of all building work in their area ensuring issues raised in the design and construction of buildings that do not meet the required standard are addressed. However, they are also secondly in competition with approved inspectors for work and need to generate sufficient income to pay for all their services. This is an inherent weakness of the mixed market system introduced in the 1980s and reflects the conflicting role of local authorities which have both a responsibility for policing building control but are also in competition with approved inspectors to secure work.
- 2.24 Given approved inspectors are required to refer individual cases of non-compliance with building regulations to local authorities to take enforcement action, similar disincentives are also in play. As with local authorities, maintaining relationships is an important consideration in maximising income and can discourage approved inspectors from wanting to take enforcement action.
- 2.25 Capacity, resources and capability are also significant barriers that can limit enforcement action. Officers cited the demands and cost of taking developers, property owners or managers to court as a barrier to local authorities in the current financial climate. Several approved inspectors echoed these views, expressing scepticism that local authorities have the resources or capacity to effectively enforce standards and take quick and decisive action.
- 2.26 Overall, we found that the relationship between local authorities and approved inspectors, which is critical to ensuring buildings are safe, is at best limited and at worst epitomised by a lack of trust and scepticism about the actions of each other. Indeed, several fire and rescue service officers we interviewed raised concerns over the robustness of building enforcement regulation more generally, both within local authorities but also in respect of approved inspectors.

Some financial management practices in relation to building control appear to be unlawful

- 2.27 The Building (Local Authority Charges) Regulations 2010 (the 'Regulations') set the legal framework for the financial governance of local authority building control. The Regulations are intended to enable local authorities to be fair and transparent in how fees for services are charged.
- 2.28 The key principle of the Regulations is that authorities should recover their full costs and service users should only pay for the service they receive. Consequently, the Regulations split activities into chargeable, non-chargeable work and other building control services. Chargeable activity must be funded by fees, non-chargeable and other building control services are to be funded by the local authority general fund. **Exhibit 4** provides examples of activities.

Exhibit 4: examples of chargeable, non-chargeable, and other building control activities

Chargeable activity	Non-chargeable activity	Other building control services
Approving or rejecting plans	Liaison with other authorities, eg Fire and Rescue Services	Dangerous buildings
Site inspections	Enforcement on behalf of Approved Inspectors	Demolitions
Consideration of work referred from AIs (Approved Inspectors)	Identifying unauthorised building work	Advice to other departments
Consideration of a regularisation certificate	Functions to support disabled people	Administration of safety at sports grounds
More than 30 minutes of pre-application advice	First 30 minutes of pre-application advice	Street naming or numbering

Source: CIPFA (Chartered Institute of Public Finance and Accountancy), Local authority building control accounting, 2010

- 2.29 To aid local authorities in setting and properly accounting for their fees and charges, the Chartered Institute of Public Finance and Accountancy (CIPFA) developed detailed guidance¹⁵. Taken together, the Regulations and CIPFA guidance require local authorities to:
- set and publish standard fees and means of calculating bespoke fees;
 - set hourly rate fees for both officers and specific, set factors;
 - monitor the breakeven position of the service with the aim to break even over a 'reasonable period;'
 - revise fees to prevent surpluses or deficits;
 - publish an annual financial statement for building control; and
 - consider establishing an earmarked reserve in the event of a surplus or deficit.
- 2.30 Additionally, the CIPFA guidance refers to proposals for regular monitoring from 2010 by 'the Department/National Assembly' to assess the impact of the Regulations overall and particularly to see whether local authorities were meeting the breakeven principle. Given that the building control functions under the Regulations exercisable by the National Assembly were transferred to Welsh Ministers by the Government of Wales Act 2006¹⁶, and the reference to 'the Department' appears to be a reference to the then UK Department of Communities and Local Government, it would seem that the reference to 'National Assembly' is erroneous and should have been a reference to the Welsh Government. [We understand, however, that neither the National Assembly (now the Senedd) nor the Welsh Government have undertaken such monitoring.]

Fee-setting approaches vary significantly and many are not compliant with Regulations

- 2.31 Local authorities are required to review their fees each year to ensure that the income from chargeable activity is as close to the costs incurred in delivering services as possible. This makes ongoing monitoring of the breakeven position and regular recalculation of fees critical. It would be contrary to the Regulations for fees to be deliberately set above the estimated costs to be incurred (taking account of any estimated prior surplus or deficit) or knowingly allowed to fall below what it costs to deliver services.

15 CIPFA, [Local authority building control accounting](#), 2010

16 Government for Wales Act 2006, Schedule 11, paragraph 30

- 2.32 Factors that should be considered when setting fees are specified in the regulations. Apart from the principle of breaking even and staff costs, the factors include use of the building, floor size, and cost. However, other potential considerations such as the competitiveness of fees and comparing with others are not specified in the Regulations. Such other considerations therefore appear not to be relevant considerations that may be considered. The CIPFA guidance sets out the process for calculating the fees and provides examples on how to do this.
- 2.33 We found that the process for deciding fees by local authorities varies, often significantly, from the guidance and Regulations. Of the 12 authorities that responded to our data collection exercise and provided information describing their fee-setting process, nine were not compliant. Most usually because they applied fixed inflationary uplifts; copied neighbouring authority fee revisions; used average national schedules of rates to set their own charges; and/or did not show how they had factored in specific local circumstances that underpin charging such as their staffing structure, central recharges and local operating context.
- 2.34 At the time of our fieldwork, several authorities noted that they were not reviewing fees annually and a smaller number admitted that they had not adjusted fees to reflect the actual cost of services for many years. In one case, fees had not changed since 2012. In addition, despite the requirement to base fees on hourly rates, two authorities were unable to provide this information. We have concluded that many local authorities' building control services are not charging and setting fees in line with the Regulations and CIPFA guidance. We also note that the published fee scales show significant variations for individual activities – **Exhibit 5**.

Exhibit 5: example of fee differentials for Welsh local authority Building Control services 2022-23

Fee type	Lowest fee	Highest fee	Differential	Median
Single dwelling plan fee	£117	£288	145.6%	£210
Single dwelling inspection fee	£274	£510	86.4%	£414
Single dwelling notice fee	£391	£915	134.1%	£671
Composite single dwelling fee	£495	£1,830	269.7%	£1,155

Source: Audit Wales analysis of published fee scales

2.35 Awareness of this issue was mixed among officers. Some are unaware of the financial performance of their service primarily because management of finances sits outside the service with non-building control specialists. Others were aware of the requirements of the regulations but described pressure on budgets which encouraged raising fees or a lack of knowledge of the requirements of the regulations corporately. This is extremely concerning and poses significant risks to achieving value for money from the service.

Financial management of surpluses and deficits is unclear and potentially unlawful

- 2.36 Our survey of local authority officers found that of the 15 who provided a response, only five reported that their chargeable income is safeguarded (ie earmarked for application to building control services), one that only some is protected and nine reported that no income is safeguarded.
- 2.37 Where surpluses occur, authorities are encouraged, but not required, to create an earmarked reserve. Our review found that only four local authorities disclosed earmarked reserves for building control, although others may have deemed the sums involved financially immaterial and have not reported them. Regarding the financial performance of services, we found that 11 authorities were making a deficit at the end of 2021-22 and seven a surplus. Four were unable to provide this information.
- 2.38 The principles of the 2010 Regulations require that building control income, including surpluses, is to be used to provide building control activities. The CIPFA guidance notes that when calculating the total costs of the building control function, authorities are allowed to include training as an indirect employee cost when calculating fees. In addition, where surpluses are generated, these can be used to invest in service quality or to address regulatory changes.
- 2.39 We found that most building control officers were not uplifting fees to reflect the need to fund training and development for their staff due to wider corporate budget pressures. Indeed, some officers we interviewed anecdotally noted that building control fees were used to create surpluses to pay for other council services, although we saw no evidence of this in practice.

2.40 Overall, we have concluded that the implementation of the Regulations and the setting of building control charges more generally by local authorities fall short of legal and practical requirements. Our analysis highlights that most fees are not being set correctly and, where surpluses and deficits occur, these are not actively managed nor used for the purpose intended. This is particularly worrying because the Regulations were introduced to support good financial management and governance in building control services and correct implementation would help address some of the workforce, recruitment and training issues identified above.

In almost all cases, financial reporting does not meet regulatory requirements and this hinders scrutiny of Building Control fee setting, income, and expenditure

2.41 To demonstrate their financial governance of building control income and expenditure, the Regulations require local authorities to publish annual financial statements for these services. The Regulations require that, as a minimum, these Statements disclose the chargeable costs and income, any surplus or deficit, be published within six months of the financial year-end and signed off by the Section 151 officer. The CIPFA guidance includes a template that mirrors these requirements and a completed example to help local authorities demonstrate their compliance. As publishing a financial statement is a requirement of the regulations, failing to do so is unlawful.

2.42 From our review of local authority websites and financial statements, we found that only four have publicly available statements and only two of these met the reporting deadline. As noted at above, CIPFA guidance refers to proposals for scrutiny of whether authorities are meeting the breakeven principle. Welsh Government officials have, however, confirmed to us that this monitoring has not taken place in recent years and there remains a lack of oversight of building control financial performance and fee setting at both a national and local level.

Progress on collaboration and regionalisation has been slow

- 2.43 Overall, local authority building control has not significantly changed despite the pressure on resources, capacity, and skills. Some authorities have made some innovations, such as Monmouthshire which has partnered with an estate agent to find new clients. Most authorities also operate the Partnership Authority scheme. This allows professionals, such as architects, to use the local authority of their choice to approve plans and the local authority where the site is located to undertake on-site inspections. For example, a supermarket chain may be based in England and can elect to use their local LABC team to approve plans but then use a Welsh authority to inspect a new store in Wales.
- 2.44 While the work of LABC Cymru – the pan-Wales officer network – is seen as positive, offering support, learning and the opportunity to share information, this has not translated into more formal change to help improve efficiency and strengthen resilience. The group has proven successful at keeping teams informed and supported, and there are several positive one-off instances of 'collaboration in crises'. For example, neighbouring authorities helping to deliver inspections and plan approval activities in Blaenau Gwent to help address short-term resource pressures in that authority. While we acknowledge that these are positive steps in the right direction, they fall short of addressing the significant challenges facing the sector, and greater, more fundamental change is needed.
- 2.45 There are opportunities to improve efficiency and effectiveness of services through greater collaboration and regionalisation of services. This can help local authorities to compete more effectively, meet the challenge of the new building safety regime and provide solutions to address the sector's many serious resourcing issues. For example:
- pooling staff to ease capacity issues and to mitigate the retirement risks inherent in the sector's demographics;
 - increasing spending power and opportunities to make savings through the joint commissioning and procurement of goods, services, and establishment of uniform charges for activities that cost the same (for example, external training);
 - enabling staff to develop specialisms, such as fire safety, to better manage high-risk buildings; and
 - strengthening capacity in back-office functions.

- 2.46 Despite stakeholders across the building control and safety sectors recognising and articulating the benefits of collaboration and regionalisation, we found little progress has been made to drive this forward. While many building control staff we interviewed can identify the potential benefits of collaborating with other building control teams, this has not led to more formal partnerships such as joint investigation teams. We acknowledge that the demands currently being placed on building control managers as individuals, and their reduced capacity to prioritise these activities, is clearly limiting opportunities to drive change. But given the challenges facing building control services, change is needed to prevent an escalation of the issues already present in the sector.
- 2.47 In Scotland, by comparison, the Local Authority Building Standards Scotland (LABSS) have established a hub model for the 32 local authorities to collaborate and implement improvement recommendations (see **Appendix 4**). The Hub acts as a central collaborator to move the sector in the same direction in the response to improvement recommendations. This has the potential to set a consistent service and standard across Scotland, supported by Scottish Government operational and performance frameworks. It is also helping authorities experiencing a staffing issue to broker support from another.
- 2.48 In response to the similar challenges that they face, Fire and Rescue Services are changing how they provide services. For instance, South Wales Fire and Rescue Service has moved from a dedicated specialist team to a larger team of Business Fire Safety officers. This is allowing the service to better manage the impact of staff turnover and create a more resilient workforce, by widening out the pool of staff who are gaining experience in building fire safety design and construction. Similarly, North Wales Fire and Rescue Service has switched from a service of uniformed fire officers delivering fire safety work to a service which increasingly draws on corporate staff to bolster performance. This is helping to improve efficiency and increase capacity.



**There is little evaluation
of building control
services across Wales
and no national
comprehensive
system of building
safety assurance**

03

- 3.1 In this final Part of the report, we set out how management and evaluation of building control and building safety performance work and how risks are identified and mitigated.

There is limited understanding of how well services are performing

- 3.2 Performance management and reporting are an essential element of good governance. Having a good range of key data allows you to understand the services you manage and helps underpin evidence-based decisions by providing insight and knowledge. The right data is also a precursor to feed-forward plans and helps organisations to learn from the past to inform the future.

The lack of a national performance management framework for building control and building safety makes it difficult to evaluate the performance of services

- 3.3 At the time of our work there is no agreed national performance reporting framework for building control and building safety services in Wales. In the absence of a robust suite of national measures to manage and evaluate the performance of services, most local authorities focus on reporting against a narrow group of measures. We found that the key indicators most used relate to:
- timeliness measures such as the length of time taken to acknowledge and check applications, whether a site application is carried out on the agreed date, recording the site application notes within two days of an inspection and the number of completion certificates issued within a given period;
 - monitoring levels of customer satisfaction with the response of the service; and
 - market share – the proportion of the building control market a local authority covers.
- 3.4 While each of these are important and relevant, they do not provide sufficient detail to understand or judge the effectiveness of building control services. Whilst timeliness is a key factor in administering an efficient building control system, the measure places importance on dealing with large volumes of applications in the shortest time possible, without any consideration of the quality of the work carried out and does not provide any assurance that the work was carried out safely, risks were reduced and that the overall safety of a building's occupants was improved.

- 3.5 Because of these weaknesses, local authorities are unable to demonstrate that building control work is reducing risk and improving the built and natural environment and the quality of life in the area. For instance, we found that:
- no data is collected on the work of approved inspectors and fire and rescue services, and benchmarking to compare performance is not routinely undertaken. Consequently, performance reporting remains fragmented and does not provide adequate assurance – a major risk flagged in the Hackitt Report.
 - public reporting – notifying key stakeholders on the effectiveness of services and the service 'offer' – is similarly limited. This does not help to provide a comprehensive oversight of all building control and safety activity in an area, or nationally.
 - although there are some measures relating to risk, these are limited to buildings that have been recorded as dangerous structures. Risk, especially service resilience risk, is not something that is built into the performance framework as a central consideration of effectiveness.
 - little attention is given to actively managing financial performance and reporting against the requirements of the finance regulations, fee setting, comparison of costs, recharges, and deficits.
- 3.6 In addition, building control teams told us reporting was mainly responsive where concerns were raised rather than a routine part of their role. Where performance measures are recorded and monitored, this is often done on a team's own initiative, for their own purposes, and can be a lengthy manual process, due to poor integration between IT platforms. Where IT tools for automatic reporting do exist, we heard of examples where the system was underutilised or used inconsistently, due to weak processes or operating difficulties. In several cases, analysis is compiled on spreadsheets held locally by individuals, posing a risk to resilience and continuity when staff are absent.
- 3.7 The Scottish Government have a national framework to monitor and analyse performance. Measures were introduced in 2012 embedding learning from research that analysed previous performance reviews. Building safety is a ministerial responsibility in Scotland and providers are 'appointed' as verifiers (see **Appendix 4**). Although local authorities are typically selected, the appointment and reappointment process is driving consistency and standards, and provides a robust framework to assess performance.

Some local authorities work to the ISO 9001 quality management standard, but this does not provide sufficient assurance that services are working effectively

- 3.8 Several local authorities have accredited themselves with ISO 9001, the international standard for Quality Management. The standard uses seven quality management principles focussed on:
- customer focus;
 - leadership;
 - engagement of people;
 - process approach;
 - improvement;
 - evidence-based decision making; and
 - relationship management.
- 3.9 The measures aim to promote understanding and provide consistency, adding value, effective performance, and improvement of processes. The standard also encourages organisations to adopt a risk-based approach, ensuring that preventative measures are taken before risks arise. Once an organisation receives accreditation, they are required to evaluate their compliance with the standard annually.
- 3.10 While authorities have found ISO 9001 helpful for raising standards and levels of consistency, we found that some authorities have chosen to opt out of the standard due to cost and the challenge of ongoing evaluation to demonstrate compliance. It is also questionable how useful the standard is in judging the effectiveness, efficiency and robustness of services given the many challenges facing building control we have reported on.

Scrutiny and evaluation of building control and building safety are limited

- 3.11 Effective scrutiny is an essential element of good governance and helps provide assurance that things are working well or need to improve. Without a robust performance management system, scrutiny can only be as effective as the information and measures that are regularly scrutinised. We found that many local authorities' building control services do not formally report to a scrutiny committee on a regular basis to demonstrate the work, impact and risks facing the service.

- 3.12 For instance, we found that scrutiny is inconsistent across Wales, with many teams only being required to report their performance twice yearly and against a very narrow set of measures and information. In several authorities, there is no formal scrutiny of services. Several local authority officers we interviewed noted that from their experience, after the initial heightened interest in building control and building safety arising from the Grenfell disaster, member and senior officer contact is mostly limited and focussed on single issues of concern – a dangerous structure or a constituent's building control application. Several noted that member knowledge and understanding of building control are low and the risks and issues facing services mostly unknown.
- 3.13 In contrast, Scottish local authorities are required to annually report their performance against a series of key performance outcomes. These outcomes are then assessed alongside customer feedback and plans are developed to help drive improvement. Staff are encouraged to link these with improvement actions which can be used to monitor progress and identify key lines of enquiry for those charged with scrutiny. The assessment output is designed to be accessible to various levels of stakeholder, identifying strategic trends to government, promoting improvement operationally to verifiers, whilst also providing a transparent assessment for public consumption.

Risk management processes are inadequate

- 3.14 There is a mixed approach to assessing risk, with some teams having their own risk registers, some feeding into corporate registers, whilst some do not formally record risks or track how they are mitigating them. Indeed, several officers we interviewed noted that known risks are often noted informally within teams and these are considered in isolation from other corporate wide risks.
- 3.15 This siloed approach poses a threat to resilience as the system relies too much on a small number of individuals who hold substantial amounts of knowledge without formally being recorded, shared with colleagues for information, or escalated for action. Only a small minority of local authorities we spoke with could describe the formal procedure of escalating risks, with many acknowledging such protocols do not exist. Without proper identification and recording of emerging risks, authorities are unable to make longer-term plans and prepare for future scenarios.

- 3.16 As contextual information is not routinely integrated with other service areas, it is not clear that sufficient understanding is present amongst accountable officers at each level of escalation. Where risks are raised, they will rarely meet the threshold required to be considered a corporate risk. Poor audit trails mean risks are not proactively mitigated, in an environment where capacity to provide this mitigation is often limited.
- 3.17 With teams often left to operate in isolation, raising corporate and other significant risks is likely to be more challenging than for higher profile services which figure more prominently and are fully integrated into the corporate reporting structure. Consequently, local authorities at their highest level may not be sighted of the many risks facing building control – poor succession planning, an ageing workforce, lack of diversity, insufficient skill mix, along with the implications of the new Building Safety Act.



Appendices

- 1 Audit Approach and Methods**
- 2 Building Regulations Approved Documents**
- 3 The Building Safety Regulator and Accountable Person**
- 4 Scottish approach**

1 Audit Approach and Methods

Approach

For this work our approach has been to understand how well the Welsh Government, local authorities and their partners are strengthening and improving building control and building safety services following the Building Safety Act 2022. We have looked at the robustness of needs information, strategies, plans and policies; assessed the resilience of existing services and plans to strengthen these; and considered the robustness of assurance systems.

We examined all 22 principal local authorities in Wales at a high level, managing delivery to be mindful of the pressures local authority officers are under during post-pandemic recovery and the cost-of-living crisis. We ensured coverage was sufficient to draw a view on the whole sector but not to significantly detract from officers' service delivery responsibilities. Our approach was flexible to fit around officers when agreeing and delivering our fieldwork.

Methods

We completed our review between January 2023 and August 2023 and used a range of methods in delivering our work:

- **document review:** we reviewed documentation from the Welsh Government, local authorities, Fire and Rescue Services and other relevant organisations. This included, relevant committee minutes, corporate strategies, business plans and policy documentation. We also reviewed information published by the UK Government and the Scottish Government.
- **interviews** – we undertook a range of different interviews:
 - **officer interviews** – we interviewed Building Safety lead officers in all 22 Welsh principal local authorities and all three Fire and Rescue Authorities. These interviews took place between January and April 2023.
 - **national interviews** – we interviewed representatives of the Welsh Government, the Scottish Government, private sector approved building inspectors, think tanks, academic institutions, and research bodies. These took place between March and April 2023.
- **focus groups** – in line with our approach, some local authorities felt it was more appropriate for us to speak to a range of officers in focus groups to reduce our impact on service delivery.
- **data collection** – we undertook a data collection exercise with local authority officers. This ran from January to April 2023, and we received responses from all local authorities. Some local authorities were unable to provide the information we requested, and we note this in the body of the report where relevant.
- **survey** – working with Community Housing Cymru we surveyed all housing associations in Wales but only received two responses. Consequently, we have not used this information in drawing together our findings.
- **websites** – local authority and external resources, eg CICAIR (Construction Industry Council Approved Inspectors Register), LABC, etc.

2 Building Regulations Approved Documents

The approved documents address the following matters and were last updated on the date listed:

- Part A – [Structural safety](#) – last updated April 2017
- Part B – [Fire Safety](#) – last updated December 2021
- Part C – [Resistance to contamination and moisture](#) – last updated April 2017
- Part D – [Toxic substances](#) – last updated April 2017
- Part E – [Resistance to passage of sound](#) – last updated April 2022
- Part F – [Ventilation](#) – last updated October 2022
- Part G – [Sanitation, hot water safety and water efficiency](#) – last updated May 2023
- Part H – [Drainage and waste disposal](#) – last updated April 2017
- Part J – [Heat producing appliances](#) – last updated April 2017
- Part K – [Protection from falling, collision and impact](#) – last updated April 2017
- Part L – [Conservation of Fuel and Power](#) – last updated March 2023
- Part M – [Access to land and use of buildings](#) – last updated April 2017
- Part N – [Glazing safety](#) – last updated April 2017
- Part O – [Overheating](#) – last updated October 2022
- Part P – [Electrical safety](#) – last updated April 2017
- Part Q – [Security](#) – last updated May 2018
- Part R – [Physical infrastructure for high-speed electronic communications networks](#) – last updated April 2016

3 The Building Safety Regulator and Accountable Person

The Act introduces two new roles – the Building Safety Regulator and Accountable Person – which are due to come into force in October 2023.

The Building Safety Regulator

The Building Safety Regulator will have three core responsibilities: overseeing the safety and standards of all buildings; helping and encouraging the built environment industry and building control professionals to improve their competence; and leading implementation of the new regulatory framework for high-rise buildings in England. The Building Safety Regulator is also responsible for the performance of the building control sector to ensure standards are met, and for setting building standards.

The Building Safety Regulator (BSR) will be responsible for overseeing the safety and performance systems of all buildings. They will be given powers to enforce the rules and act against those that break them. And for high-risk properties, they will be able to implement more stringent rules, including how they are designed, constructed, and occupied. The three main functions of the BSR:

- oversee the safety and performance system for all buildings: this will be done through overseeing the performance of building control bodies across the public and private sectors, and by understanding and advising on existing and emerging building standards and safety risks;
- encourage increased competence by setting the direction of an industry-led competence committee and establishing competence requirements for registration of building control professionals; and
- lead the implementation of the new regulatory regime for higher-risk buildings, including having the powers to involve other teams, including the Fire Service, when making regulatory decisions regarding Building Safety.

The new BSR is under the control of the Health & Safety Executive (HSE) which is responsible for overseeing and driving improvements in the safety and performance of all buildings, and for enforcing a more stringent regime for higher-risk buildings.

Importantly, the provisions of the Act concerning the new Regulator only apply in part to Wales and the devolved government's exact position is still to be determined on this point.

Accountable Person

For all higher-risk buildings, the appointment of an identifiable 'Accountable Person', who is responsible for ensuring that the fire and structural safety is effectively managed for the whole building.

The Accountable Person (building owner, freeholder, or management company) will have an ongoing duty to assess Building Safety risks and provide a 'Safety Case Report' which demonstrates how Building Safety risks are being identified, mitigated, and managed on an ongoing basis. They will also have to demonstrate how they are ensuring residents' safety. In buildings where ownership structures are complex, there may be more than one Accountable Person, in which case there will be a Principal Accountable Person.

4 Scottish approach

Operating model

Within the Scottish system, building verifiers (surveyors) are appointed by the Minister for Local Government Empowerment and Planning under the Building (Scotland) Act 2003. This allows the Minister to appoint any building verifiers for a six-year term. Since the implementation of the Act in 2005, only local authorities have been appointed to undertake this role.

Prior to appointment, the Minister must consider the competence, qualifications, public accountability, and impartiality of the potential verifiers. To demonstrate these, an Operating Framework has been published to clarify how verifiers can demonstrate these behaviours.

After appointment, performance is monitored under a Performance Framework. There are seven key performance outcomes within the updated framework published in 2021:

- minimise time taken to issue a first report or to issue a building warrant or amendment to building warrant;
- increase quality of compliance assessment during the construction processes;
- commit to the building standards customer charter;
- understand and respond to the customer experience;
- maintain financial governance;
- commit to eBuilding Standards; and
- commit to objectives outlined in the annual verification performance report.

The Act also allows Scottish Ministers to set building regulations, the process for approval, enforcement, and set fees. Fees are set centrally and are determined by the Minister for all authorities. A calculator is provided within the online eBuildingStandards system to enable applicants to access the system and determine their fee.

Response to Grenfell

Following Grenfell, a ministerial working group was set up in July 2017 to oversee reviews into building and fire safety. Review panels were formed to cover different issues and made a series of recommendations for stakeholders. The Building Standards Futures Programme Board (BSFPB) was established to provide guidance and direction on the implementation of these recommendations.

Chaired by a local authority chief executive, the Board is comprised of:

- Local Authority Building Standards Scotland (LABSS);
- Homes for Scotland;
- Royal Institute of Chartered Surveyors;
- Construction Scotland;
- Convention of Scottish Local Authorities;
- Scottish Futures Trust;
- Chartered Institute of Buildings;
- Federation of Master Builders;
- Royal Incorporation of Architects in Scotland; and
- Scottish Government.

The Board has seven workstreams underway to support implementation – **Exhibit 6**.

Exhibit 6: Scotland's Building Standards Futures Programme Board workstreams

Workstream	Explanation
Workforce strategy	To support the adoption of the workforce strategy developed in response to the demographic challenges faced by the sector.
Compliance plan	To develop an approach for high-value and complex public buildings to ensure a planned approach to compliance throughout development.
Certification strategy	Development of a strategy for future appointment of verifiers.
Digital transformation	To support the implementation of the eBuildingStandards platform, launched in 2016.
Technical strategy	A review of how building standards are developed and communicated to promote compliance.
Verification standards	A review of the operating and performance frameworks to help verifier assessment against requirements and linking to skills.
Delivery models	A review to consider changes to business models within the 32 local authorities, including the hub project.

Source: [BSFPB](#)

Additionally, to ensure greater compliance and a response to recommendations, a Professional Competency Framework was introduced in May 2021. This established standardised job roles matched against educational awards and professional qualifications. It also provides examples of competencies based on experience to match existing staff, such as proven management and financial governance skills or specific niche training such as safety at sports grounds. The framework helps to ensure that building verifiers at each level can demonstrate being suitably competent.

To embed the Framework, a Competency Assessment System (CAS) was published. This enables individuals to identify their learning and experience gaps to better target training and development of the workforce.

Local hub model

From the BSFPB, a new delivery model was developed through the Delivery Model Development Group (DMDG), comprising the Scottish Government’s Building Standards Division, Local Authority Building Standards Scotland (LABSS), the host local authority (Fife Council) and the Hub Directors, to foster collaboration and implement the recommendations for improving building safety and increasing compliance. This was launched in May 2022 and is being rolled out in a phased approach and is centred on six business units – **Exhibit 7**.

Exhibit 7: Scotland’s Building Standards Futures Programme Board workstreams

Business unit	Function and services
Operational Partnership Unit	<ul style="list-style-type: none"> • Maintaining network of bodies • Workload sharing • Access to expert structure and fire hubs • Best practice facilitation
Scottish Type Approval Scheme Unit	<ul style="list-style-type: none"> • Scheme management • Marketing • Fee setting
Technical and Procedure Unit	<ul style="list-style-type: none"> • Technical research • Information paper production • Technical support to the hub
Digital Transformation Unit	<ul style="list-style-type: none"> • Support digital delivery group • Liaison and support roles with stakeholders, LABSS, and other stakeholders

Business unit	Function and services
Learning and Development Unit	<ul style="list-style-type: none">• Management and operation of a virtual learning environment• Management and operation of a learning management system• Assistance with apprentice schemes• Assistance with CPD (Continuing Professional Development)• Management of the verifier position in relation to the Competency Assessment Scheme (CAS)
Core Business Unit	<ul style="list-style-type: none">• Hub management• Business and admin support• Engagement with stakeholders

Source: BSFPB



Audit Wales

1 Capital Quarter

Tyndall Street

Cardiff CF10 4BZ

Tel: 029 2032 0500

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

We welcome correspondence and telephone calls in Welsh and English.

Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.