

24th November 2023

AUDIT WALES REPORT: 'CRACKS IN THE FOUNDATIONS' – BUILDING SAFETY IN WALES

Purpose

1. To update members of the report of the Auditor General for Wales in relation to building safety and recent discussions on addressing the recommendations.

Background

2. Following the Grenfell Tower fire in 2017 and the loss of 72 people who died, an independent review into Building Regulations and fire safety was undertaken by Dame Judith Hackitt with the findings published in 2018. The review exposed long standing and serious issues with the building safety regime including ignorance; indifference; lack of clarity on roles and responsibilities; and inadequate regulatory oversight and enforcement tools.
3. 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. In addressing the findings and recommendations of the review, the Building Act 2022 was introduced and represents the biggest changes of building safety regulation in Wales and England since 1984.
4. In September 2020 Welsh Government published their Position Statement on Building Safety¹ which stated, “The Welsh Government has made a clear commitment to delivering reforms to protect people living in high rise buildings in Wales. The reforms are necessarily substantial and complex. There are no quick fixes. There are process changes required, but also cultural change. There will be new legal requirements and duties on those developing and managing high rise residential buildings, but also new expectations on those living in these buildings. This will require comprehensive changes to the law in relation to Housing, Building Regulation and Fire Safety.”
5. In early 2021, the Welsh Government consulted on changes to introduce a new building safety framework through the Safer Buildings White Paper. With the proposals following a similar approach to the UK Building Safety Bill, including the introduction of a ‘duty holder’ and a golden thread, there are some noticeable differences – including the introduction of an ‘accountable person’ for any building with two or more dwellings, an annual fire risk assessment, and greater regulation for buildings under 18 meters.

¹ [Building safety: position statement | GOV.WALES](https://gov.wales/building-safety-position-statement)

6. Julie James, the Minister for Climate Change has made £375 million available over three years (2022-23, 2023-24 and 2024-25) to invest in Building Safety work in both the private and social sectors. The budget is being used to fund works which includes undertaking building safety surveys, remediation of buildings with fire safety defects and the establishment of a Joint Inspection Team (with the involvement of the WLGA). The budget is also being used to provide support for leaseholders, who are in or facing significant financial hardship as a direct result of fire safety issues through the Leaseholder Support Scheme launched in June 2022.
7. The Welsh Government commissioned IFF Research as part of the Building Safety Programme. Their [Review of the Building Safety Workforce in Wales](#)², published on 14 November 2023 is intended to provide a baseline for policy development and resourcing.

Audit Wales Report ‘Cracks in the Foundations’

8. In August 2023, the Auditor General published a report on building control in Wales entitled ‘Cracks in the Foundation’. Their approach to this work was 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. They 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.
9. Audit Wales undertook their review between January and August 2023 and used a range of methods: document review; interviews (officer and national but WLGA was not engaged, nor Local Authority Building Control (LABC)); focus groups; data collection; survey and websites.
10. *“Their overall conclusion from their work 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.”*
11. Other findings from their review include:
 - 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 and comprehensive plans that set out how they intend to deliver their new and revised responsibilities are yet to be developed.
 - As a profession, building control and building safety face significant staffing challenges, with an ageing workforce, 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.

² [Review of Building Safety in Wales](#)

- Concerns exist 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 some authorities have modernised their services, their resilience remains weak. Opportunities to strengthen services through collaboration and regionalisation are not being prioritised.
- The absence of a national framework for building assurance, 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, Audit Wales conclude that assurance systems are inadequate.

12. A number of recommendations are made for Welsh Government including providing greater clarity on the implementation and expectations of the Building Safety Act to ensure local authorities are able to deliver their new duties and responsibilities; it should ensure that it has sufficient resources to deliver the legislative and policy change for building safety; should review the mixed market approach to building control and conclude whether it continues to be appropriate and effective in keeping buildings safe in Wales; and 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.

13. The recommendations made for local authorities are summarised as follows:

- 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.
- Local authorities should urgently review their financial management of building control and ensure they are fully complying with Regulations
- 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.
- Local authorities should review risk management processes to ensure that risks are systematically identified, recorded, assessed, mitigated and subject to regular evaluation and scrutiny.

14. Audit Wales sets out its expectation that local authorities will consider the findings of this review and their recommendations and will complete an organisational response and publish this. They also expect each local authority governance and audit committee to receive the report and monitor their response to the recommendations in a timely way.

15. While there is some concern at the way in which Audit Wales had undertaken this review and the lack of opportunity for WLGA and LABC to feed in, given the importance of the issue of building safety, it is important that all councils and other key stakeholders consider and act upon the recommendations and

ensure there is a comprehensive plan in place to ensure the requirements of the Building Safety Act are successfully implemented.

16. WLGA officials have met with Welsh Government and Local Authority Building Control (LABC) (who set out their role as delivering impartial and professional building control services throughout England and Wales) to discuss the recommendations and how to support local authorities to take them forward. These actions include:

- LABC has been successful in recruiting 8 building control trainees which will be based in 8 different Welsh councils, starting in December, as part of a 2 year training programme, with education and mentoring provided by LABC. Welsh Government has funded 4 of these posts with LABC funding the others. Should councils be interested in funding a trainee in the future, LABC will be running another round of recruitment of trainees in the new year
- Welsh Government are planning to host a webinar in early December for all Local authorities to ensure they are aware of the new requirements for the building control profession in Wales, including the requirements for registration
- LABC are planning some training for finance officers on issues relating to financial management of building control including fees and are planning a summit to discuss building control issues more generally
- WLGA officers will raise awareness of the report with members and officers across local government and will make contact with the LGA to identify any opportunities to learn from work ongoing or examples of good practice in England.
- Further discussions are needed on the workforce related challenges facing building control, noting the challenging financial context, however, it was felt further investment in this area is needed to build some resilience and sustainability in the system for the future.

17. WLGA officers will continue to engage with Welsh Government and LABC on these and related issues on building safety over the coming months and will keep members updated as appropriate.

Implications of the reforms for the building control workforce and profession

18. As part of the building safety reforms, Welsh Government recently issued a suite of new requirements and draft guidance documents relating to building control, which include the following:

- **New requirements for the Building Control profession in Wales** - introducing new standards, codes and rules that building control must abide from April 2024 and third party verification competence schemes for individuals wanting to be Registered Building Inspectors in Wales

- **Draft Building Inspector Competence Framework** - setting out the necessary skills, knowledge and behaviours required of individuals performing their role as a registered building inspector
- **Draft Code of Conduct for Registered Building Inspectors in Wales** – setting out standards and principles of professional conduct expected of Registered Building inspectors.

19. Building control professionals and private sector building control organisations will have to register with the regulatory authority to perform building control work in Wales. They will also need continued professional development to maintain their registration. There will be four classes of Registered Building Inspectors (RBIs: trainee; building inspector; specialist building inspector; and building inspector technical manager). They will be able to undertake work only in those areas for which they have been registered as competent.

20. All building inspectors in councils will need to be registered. All current 'Approved Inspectors' in the private sector will have to be registered as 'Registered Building Control Approvers' to continue to offer the service. All new higher-risk building work will be able to be overseen only by the local authority building control authority. Welsh Government's belief is that as there are only a relatively small number of higher-risk buildings being built or refurbished in Wales that local authorities will be able to undertake the required work

21. Registers will open from January 2024. Registration will be mandatory from April 2024 in order to continue working in the profession, subject to some transitional arrangements. In order to be registered, individuals will have to have their competence verified by a third-part scheme (e.g. Chartered Association of Building Engineers).

22. This has major implications for every council in Wales that runs a Building Control function. It is understood that in England (where these arrangements were brought in over year ago) councils have found it takes at least six months for individuals to obtain the necessary verification and register. By introducing these requirements in November and requiring registration by next April there is very little time to progress this, especially as there could be a rush of applications to verifying bodies at the same time.

23. If councils don't have verified teams in place by April they will not be able to undertake building control work. Potentially, it could lead to some staff being at risk of redundancy at a time when the profession is struggling with an ageing workforce. Whilst steps are being taken to encourage new entrants to the profession (see further details below) there are clearly more immediate risks that have to be addressed.

24. WLGA has raised these matters with Welsh Government and suggested a six month extension. However, the initial reaction was negative so as not to create cross-border confusion as to who can work where (subject to exactly what is included as part of the transitional arrangements).

25. Welsh Government is working closely with the Building Safety Regulator in England (which is the Health and Safety Executive) to align standards and registration as far as possible.

Recommendations

26. Members are asked to:

- 26.1 Note the contents of this report; and**
- 26.2 Share the report with appropriate members and officers in their council and seek assurance that the recommendations from the Audit Wales Report are being considered and actioned appropriately.**

Report cleared by: Cllrs Rob Stewart, Spokesperson for Planning and Andrea Lewis, Spokesperson for Housing

Authors: Naomi Alleyne and Tim Peppin

Email: naomi.alleyne@wlga.gov.uk and tim.peppin@wlga.gov.uk