



Our Ref: JB/2722/25

Peredur Owen Griffiths MS
Chair Finance Committee
Senedd Cymru
Cardiff
CF99 1SN

19 December 2025

Dear Peredur,

I am grateful to the Finance Committee for its consideration of the Building Safety (Wales) Bill and the conclusion that the Committee welcomes the overall aims of the Bill. I am sorry to learn that you have concerns about the financial implications as presented in the Regulatory Impact Assessment. I am, of course, anxious to reassure the Committee, and will provide appropriate information to enable you to assess the financial impact of specific elements of the Bill.

I have set out my response to your recommendations below.

Recommendation 1. The Committee recommends that the Cabinet Secretary undertakes a comprehensive revision of the Regulatory Impact Assessment accompanying the Bill, so that it includes:

- a breakdown of costs and benefits by individual provisions;
- a detailed account of the costing methodology used; and
- details of the specific activities individual bodies will undertake,

and for this to be reflected in a revised Regulatory Impact Assessment, after Stage 2.

Response: Accept

In revising the Regulatory Impact Assessment after Stage 2 I will take account of the Committee's specific requests for information. However, as we discussed when I gave evidence to the Committee, the new building safety regime will consist of a package of measures. Attempting to assign benefits to individual provisions would be little more than guesswork and, therefore, not value adding.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

Recommendation 2. The Committee recommends that the Cabinet Secretary makes clear in the Regulatory Impact Assessment where key supporting documentation such as the Cost and Benefits Model reports are published and publishes any other associated information, such as the Excel Model referenced in the Cost Model report as soon as practicable.

Response: Accept

I will make clear where key supporting documents are published.

Recommendation 3. The Committee recommends that the Welsh Government publishes a detailed account of how any implementation funding already allocated for the Bill has been used to date, including a breakdown of activities undertaken, the amounts allocated, and how these relate to the delivery of the Bill.

Response: Accept

Details of the way in which the funding allocated has been used will not be available until the end of current financial year. To reduce the administrative burden on local authorities, I am not requiring detailed information to be provided on the use of the funding, but I would be happy to provide examples of how authorities have used the funding once the grant claims have been made.

In the meantime, I have asked officials to prepare and submit to the Committee in January, information on what funding has been allocated and to whom, along with information about the type of activities that the funding can be used to deliver.

Recommendation 4. The Committee recommends that the Cabinet Secretary clarifies the funding available to local authorities for the implementation of the Bill, including confirmation of whether the funding is additional to existing allocations and sufficient to meet the new statutory responsibilities.

Response: Accept in Principle

I have established a costs workstream with local authorities and the WLGA to review and update the cost assumptions relating to Building Safety Authorities included in the Regulatory Impact Assessment. I will provide an update on the work of this group, in the new year.

I am committed to ensuring that delivery partners are appropriately funded to be able to discharge all their duties effectively. Our agreement with local government, the Strategic Partnership Agreement, sets out our approach to funding, including in relation to new responsibilities.

However, decisions on long term funding will ultimately be for the next government to take.

Recommendation 5. The Committee recommends that the Cabinet Secretary provides further detail on the cost implications for residents and explains how it intends to support residents who may face financial burdens as a result of the Bill, including outlining any financial assistance, mitigation measures, or protections for leaseholders and tenants.

Response: Accept

I recognise the pressures on household budgets and the wider cost of living on residents. This is why we have built a proportionate approach with ongoing consultation to ensure the regime is both effective and affordable for all residents.

The Bill does not alter existing lease arrangements on the cost of works needed to manage building safety risks. Who pays for those works will depend on what each individual lease says. There are protections in place for leaseholders under the Landlord and Tenant Act 1985, which requires that any costs passed on via service charges must be reasonably incurred and for services or works to be of a reasonable standard. Leaseholders have the right to challenge any unreasonable charges.

The Bill amends the Landlord and Tenant Act 1985 to ensure that generally costs relating to enforcement of the regime (excluding enforcement of duties of residents and owners of residential units) and costs incurred as a result of negligence, cannot be passed on to leaseholders as service charges.

Further, I have introduced a Stage 2 amendment that requires landlords, if they are an accountable person, to investigate other funding options for building safety works before claiming costs back through the service charge. Landlords would be required to consider other funding streams before passing on the costs of works via service charges to residents or leaseholders. If a grant or funds are available, the accountable person would then be required to take reasonable steps to obtain them and deduct them from costs that may be charged via service charges.

The upcoming draft UK Commonhold and Leasehold Reform Bill, which is due to be published by the end of the year, is expected to include important reforms for leasehold homeowners in Wales. We are continuing to work with the UK Government on legislative reforms to improve protections and provide additional rights to leaseholders in Wales.

Additionally, officials are currently analysing the responses to our joint consultation on 'Strengthening leaseholder protections over charges and services', which included detailed proposals for implementation of service charge transparency measures in the Leasehold and Freehold Reform Act 2024.

We will continue to engage with leaseholder and resident groups about the cost implications as we develop regulations under the Bill, to ensure the regime is fair and practical.

Recommendation 6. The Committee recommends that the Cabinet Secretary provides details of discussions held with delivery partners for the Bill regarding operational costs of the new statutory framework, and any additional financial implications identified as a result of those discussions.

Response: Accept

We are working with local authorities and fire and rescue authorities to better understand the costs of the Bill. This work will inform the revisions to the Regulatory Impact Assessment after Stage 2 and will continue as we begin to develop the necessary regulations under the Bill. I will write to the Committee with an update on the discussions that have taken place in the costs workstream, in the New Year.

Recommendation 7. The Committee recommends that the Cabinet Secretary quantifies and publishes the actual costs and benefits arising from the Bill as part of the post-implementation review, and confirms the proposed timescales for the review.

Response: Accept

In the revised Regulatory Impact Assessment, I will clarify plans for the post-implementation review.

I am grateful to the Finance Committee for its recommendations, and I hope you are assured of my commitment to continue to robustly assess the costs of this Bill, alongside its significant benefits. I trust this response will help to inform further scrutiny of the Bill and I look forward to continuing to work with Committee Members as we proceed through the Senedd's legislative process.

I am copying this letter to the Chair of the Local Government and Housing Committee and Chair of the Legislation, Justice and Constitution Committee.

Yours sincerely

A handwritten signature in black ink, reading 'Jayne Bryant'. The script is cursive and fluid, with the first name 'Jayne' and the last name 'Bryant' clearly distinguishable.

Jayne Bryant AS/MS

Ysgrifennydd y Cabinet dros Lywodraeth Leol a Thai

Cabinet Secretary for Housing and Local Government