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Ysgrifennydd y Cabinet dros Lywodraeth Leol a Thai
Cabinet Secretary for Housing and Local Government

Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref MA/JB/0084/26

Peredur Owen Griffiths MS
Chair
Finance Committee
Senedd Cymru

CC: John Griffiths MS, Chair of the Local Government and Housing Committee
Mike Hedges MS, Chair of the Legislation, Justice and Constitution Committee

24 February 2026

Building Safety (Wales) Bill – Revised Explanatory Memorandum

Dear Peredur,

Following completion of Stage 2 proceedings and in line with Standing Order 26.28, I have laid a revised Explanatory Memorandum (EM) for the Building Safety (Wales) Bill. I would like to bring relevant changes to the Committee's attention.

Revisions have been made to the following sections of the EM to reflect the amendments agreed at Stage 2:

- Chapter 3: Purpose and intended effect
- Chapter 4: Consultation
- Chapter 5: Power to make subordinate legislation
- Annex 1: Explanatory notes
- Annex 2: Index of standing order requirements

Having considered the effect of amendments on the costs and benefits of the Bill, I have concluded there are none. Therefore, I have not amended the RIA as a consequence of Stage 2 amendments.

However, I have addressed your recommendation to undertake a comprehensive revision of the RIA. As I mentioned in evidence, we have continued to work with stakeholders to clarify the costs. The costs workstream with local authorities has reassessed the costs associated with enforcement and sanctions, building certificates and transitional costs. There are some changes to the RIA as a result. The workstream continues, and output from it will inform preparations for implementation.

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The total cost estimate for the Bill has increased from £165.44m (£144.91m in present value) to £169.41m (£148.23m in present value). The cost estimate for the Welsh Government remains unchanged at £25.51m (PV £22.03m). The cost estimate for fire and rescue authorities is marginally higher at £2.60m (PV £2.21m) compared to the original estimate of £2.59m (PV £2.46m). The cost estimate for local authorities is up from £5.31m (PV £4.62m) to £7.72m (PV £6.84m).

Estimated compliance costs for industry have also been adjusted. Transitional costs are estimated to be slightly lower at £27.60m (PV £26.78m) but recurrent costs are estimated to increase from £99.97m (PV £88.2m) to £105.99m (PV £90.36m). Thus, the overall estimated compliance cost increases from £132.02m (PV £115.80m) to £133.59m (PV £117.14m). Compliance costs will become clearer still as we progress the detailed work on regulations. We will, of course, continue to engage the sector as we embark on that.

As you recommended, table 8.16 now shows details of the specific activities individual bodies will undertake, including a breakdown of costs by individual provisions. As I explained in my letter of 19 December, the new building safety regime will consist of a package of measures. I do not think it is possible to assign benefits to individual provisions with any degree of accuracy and so I have not attempted to do that.

Chapter 8 now includes a detailed account of the costing methodology used.

Finally, the RIA now makes clear where key supporting documentation such as the Cost and Benefits Model reports are published. Information previously referred to as being in the Excel Model is now included in the Cost Model report.

I hope you find the revised EM helpful.

While writing, I will take the opportunity to let you know that I have tabled Stage 3 amendments in response to recommendation 5 of the LJC Committee. The amendments include removing the power to define “storey” from section 6. “Storey” is not defined in section 6 of the Bill, so will have its everyday meaning. However, the amendments include defining when a mezzanine floor is to be regarded as a “storey” in respect of regulated buildings, and to enable regulation under section 17 to amend the meaning of “storey” in section 6. Such regulations would be subject to an enhanced Senedd approval procedure.

I would like to take the opportunity to again thank each of the Committees for their scrutiny of the Bill.

Yours sincerely,

Jayne Bryant AS/MS
Ysgrifennydd y Cabinet dros Lywodraeth Leol a Thai
Cabinet Secretary for Housing and Local Government

adroit economics ltd

February 26

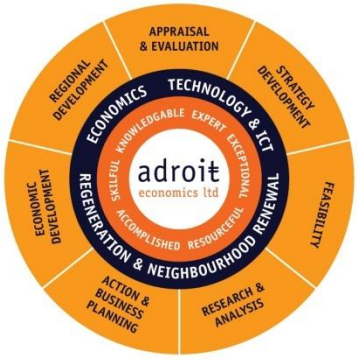
Building Safety (Wales) Bill - Cost Model Report

Prepared by Adroit Economics

For and on behalf of

Welsh Government

Contents



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1. Introduction

1.1 This document sets out the approach, method, assumptions and the results of an assessment of the costs of the two proposed policy options for the occupation phase of the new building safety regime in Wales, which will be provided for in the Building Safety (Wales) Bill. The assessment is based on HM Treasury Green Book principles.

1.2 The new building safety regime is intended to improve the safety of existing multi-occupied residential buildings in Wales, from purpose built high rise residential blocks to converted houses providing two or more residential units and relevant HMOs.

1.3 Specifically, the new building safety regime is intended to contribute to fire safety outcomes in multi-occupied residential buildings including fire prevention, fire protection, escape and firefighting. In category 1 and category 2 buildings, the new building safety regime is intended to contribute to the risk of structural safety incidents being as low as possible.

1.4 The occupation phase regime focuses on occupied buildings in scope (i.e. after the building is constructed and is occupied). This analysis therefore only assesses the benefits attributable to occupation phase measures.

1.5 The analysis draws in large part on the methodology, data sources and assumptions used in the analysis for the UK Government's Building Safety Act 2022 (hereinafter referred to as the England analysis). However, this analysis also reflects the different policy in Wales and draws on data reflecting the specific conditions and circumstances in Wales. The analysis builds on the Economic Impact Assessment published alongside the White Paper Safer Buildings in Wales.

Abbreviations

AP	Accountable Person(s)
BSA	Building Safety Authority/Authorities
FRA	Fire Risk Assessment
FRS	Fire and Rescue Service(s)
FSA	Fire Safety Authority/Authorities
HMO	House(s) in Multiple Occupation
HSE	Health and Safety Executive
MHCLG	Ministry of Housing, Communities and Local Government
PAP	Principal Accountable Person(s)
RPT	Residential Property Tribunal
WG	Welsh Government

2. Executive Summary

2.1 The analysis estimates the cost to the regulator (this includes Welsh Government, local authorities in their role as building safety authorities, and fire and rescue authorities in their role as fire safety authorities) and to industry (this includes all principal accountable persons and accountable persons, including social landlords and local authority building owners, as well as the landlords of HMOs) of complying with the range of additional requirements (for buildings in scope), over and above the current situation (the counterfactual), proposed under the policy options assessed in the analysis.

Buildings in scope

2.2 The Bill is about buildings in occupation (not buildings under construction).

2.3 All multi-unit residential buildings in Wales are in scope, from 18m+ high rise residential to a two storey maisonette/converted house. Also included are relevant HMOs.

2.4 Buildings in scope are divided into the following categories:

- 18m+ buildings containing 2 or more residential units;
- 11-18m buildings containing 2 or more residential units;
- Large blocks of flats under 11m with more than 25 residential units;
- Small blocks of flats under 11m with between 6 and 25 residential units;
- Other buildings under 11m containing flats including converted houses and flats over shops (between 2 and 5 residential units);
- Sheltered accommodation;
- Purpose built student accommodation;
- Relevant HMOs.

Two policy options are considered

2.5 The analysis assesses the costs of two policy options, over and above the counterfactual:

- Option 1: Business as usual (the counterfactual);
- Option 2: Do minimum: Legislate to introduce a new regime in Wales focusing on the occupation phase of a building's life cycle. The regime would cover the regulation of building safety risks in multi-occupied residential buildings of at least 18m. Multi-occupied residential buildings under 18m and certain Houses in Multiple Occupation (HMOs) would be subject to the fire safety duties, including resident fire safety duties, but would be excluded from scope of the other duties in the regime;
- Option 3: Preferred option (the Bill): Legislate to introduce a new regime in Wales focusing on the occupation phase of a building's life cycle. It would cover the regulation of building safety risks in multi-occupied residential buildings. There would be three categories of building in scope of the regime as follows. Certain Houses in Multiple Occupation (HMOs) would be subject to the fire safety duties but would be excluded from scope of the other duties in the regime.

  In option 3, the categories of regulated building would be:

  - Category 1: Multi-occupied residential buildings of at least 18m tall or at least 7 storeys;
  - Category 2: Multi-occupied residential buildings of less than 18m tall and fewer than 7 storeys and at least 11m tall or at least 5 storeys. These buildings would be subject to some but not all of the requirements that would apply to category 1 buildings;
  - Category 3: Multi-occupied residential buildings of less than 11m tall and fewer than 5 storeys. These buildings would be subject to some but not all of the requirements that will apply to category 2 buildings, including fire safety duties but not structural safety duties.

Types of additional requirement considered

2.6 The additional requirements proposed under the policy options include:

- Preparation of the fire safety position;
- Preparation of safety cases;
- Creation of the golden thread;
- Creation of the key dataset;
- Occurrence recording and reporting;
- Engaging residents;
- Providing systems to receive building safety complaints;
- Duties on residents;
- Sanctions and enforcement;
- Building registration;
- Building Certificate;
- Familiarisation costs.

Types of cost taken into account

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

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

2.8 The estimates do not include the cost of undertaking any remediation work that is identified through the investigations.

Although the Bill requires accountable persons to take all reasonable steps, including carrying out works, to manage building safety risks, the estimates do not include the cost of undertaking such works. The management of fire safety risk is already a requirement under the Fire Safety Order 2005. Any costs incurred in managing building safety risks could lead to the avoidance of much greater costs were the risk to materialise. Potential costs of doing so would vary so greatly between buildings as to make any estimate worthless.

2.9 Costs are divided into those that fall on industry and on the regulator.

Appraisal period etc

2.10 The following appraisal periods are used in the analysis:

- Costs – a 10 year policy appraisal period is modelled;
- Benefits – a 70 year appraisal period is used.

The 10 year appraisal period for costs is long enough for the new regime to achieve a steady state. However, recurrent costs will continue to be incurred after the end of the 10 year appraisal period.

The 70-year appraisal period used to assess benefits captures those benefits that accrue during the 10-year policy appraisal period (equal to that used to estimate costs) and benefits that may persist over the life-span of a building, assumed to be 60 years. This is to best capture all the benefits and reflects the Green Book guidance on 'persistence' of benefits.

It is likely to take 10-15 years before all of the improvements to building safety are actioned following safety cases. Therefore, we expect the benefits of reduced impact of fires and structural damage to be experienced between years 14/15 and years 19/20. Following that

we expect benefits to reduce but with longer lasting benefits on building safety continuing to be realised throughout the life of the building.

Start year and price year

2.11 The analysis uses a start year of 2027-28 and a price year of 2023-24.

Phase in and transition

2.12 18m+ buildings in Year 1 and other buildings in Year 2.

Results

2.13 Table 2.1 shows the total costs of the two policy options over 10 years.

Table 2.1: Total 10 Year Costs PV (£million)

	Option 2	Option 3
18m+/7 storeys+	£29.36	£29.36
11-18m/ 4-6 storeys	£5.75	£8.05
Under 11m/ 4 storeys	£72.31	£73.40
HMO	£10.43	£10.43
Other costs	£25.12	£26.99
Total costs	**£142.97**	**£148.23**

2.14 Table 2.2 shows the estimated total benefits that will derive from each policy option. (See separate benefits report for detail of the benefits calculations)

Table 2.2: Benefits_PV (£m)		
	Option 2	Option 3
7 storeys+	£19.82	£19.82
4-6 storeys	£3.23	£6.81
under 4 storeys	£30.31	£34.33
HMO	£1.65	£1.65
Total benefits	**£55.00**	**£62.60**

2.15 Table 2.3 shows the total net benefits (the benefits minus the costs)

Table 2.3: Net Benefits (NPV) (£m)		
	Option 2	Option 3
7 storeys+	-£9.54	-£9.54
4-6 storeys	-£2.52	-£1.24
under 4 storeys	-£42.01	-£39.07
HMO	-£8.78	-£8.78
Other Costs	-£25.12	-£26.99
Total net benefits	**-£87.97**	**-£85.63**

2.16 The costs are estimated to be greater than the benefits for both policy options.

2.17 Some of the identified benefits have not been monetised, the most important of which is the wider benefit of residents feeling safter in their homes.

2.18 If it had been possible to monetise these, table 2.4 shows the annual non-monetised benefits per resident required to break even and table 2.5 provides a breakdown by building type.

Table 2.4: Summary of benefits, costs, net benefits and annual non-monetised benefits required to break even (£)		
	Option 2	Option 3
Benefits	£55.00	£62.60
Costs	£142.97	£148.23
Net Benefits	**-£87.97**	**-£85.63**

Table 2.5: Breakeven additional annual benefit required per resident by building type (£)		
	Option 2	Option 3
7 storeys+	£73	£73
4-6 storeys	£11	£6
under 4 storeys	£20	£18
HMO	£13	£13
Total	**£28**	**£27**

Cost Results – further detail

2.19 The tables below provide further breakdowns of the costs results, by who bears the costs.

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

2.20 Table 2.6 shows the estimated 10yr PV costs for proposed options.

Table 2.6: Estimated 10yr PV costs for Proposed Options (£m)

		Industry Costs	Building Safety Authority Costs	Fire Safety Authority Costs	Welsh Government costs	Total
Counterfactual - no change	Option 1	-	-	-	-	-
All multi-occupied residential buildings at least 18m subject to category 1 duties. Multi-occupied residential building below 18m subject to fire safety provisions only.	Option 2	114.47	4.65	1.82	22.03	**142.97**
All multi-occupied residential buildings at least 18m subject to category 1 duties; multi-occupied residential buildings between 11-18m subject to category 2 duties; multi-occupied residential building below 11m subject to category 3 duties; relevant HMO subject to the fire safety provisions only	Option 3	117.14	6.84	2.21	22.03	**148.23**

Estimated 10yr PV Costs for Proposed Options by Building Type (£m)

2.21 Tables 2.7 and 2.8 show the estimated 10yr PV costs for the proposed options by building type.

Table 2.7: Estimated 10yr PV costs for option 2 by building type (£m)

		Transition Costs	Other Costs (BSA IT etc)	18m+ buildings	11-18m buildings	<11m buildings	HMO	Total
All multi-occupied residential buildings at least 18m subject to category 1 duties. Multi-occupied residential building below 18m subject to fire safety provisions only.	Industry	£1.27	£0.25	£26.51	£5.44	£70.59	£10.39	**£114.47**
	BSA	£1.11	£0.43	£1.97	£0.13	£1.00	£0.00	**£4.65**
	FSA	£0.02	£0.00	£0.87	£0.17	£0.72	£0.03	**£1.82**
	WG		£22.03	£0.00	£0.00	£0.00	£0.00	**£22.03**
	Total	**£2.41**	**£22.72**	**£29.36**	**£5.75**	**£72.31**	**£10.43**	**£142.97**

Table 2.8: Estimated 10yr PV costs for option 3 (the Bill) by building type (£m)

		Transition Costs	Other Costs (BSA IT etc)	18m+ buildings	11-18m buildings	<11m buildings	HMO	Total
All multi-occupied residential buildings at least 18m subject to category 1 duties; multi-occupied residential buildings between 11-18m subject to category 2 duties; multi-occupied residential building below 11m subject to category 3 duties; relevant HMO subject to the fire safety provisions only	Industry	£1.30	£0.25	£26.51	£7.51	£71.17	£10.39	**£117.14**
	BSA	£1.24	£2.15	£1.97	£0.28	£1.20	£0.00	**£6.84**
	FSA	£0.02	£0.00	£0.87	£0.26	£1.04	£0.03	**£2.21**
	WG		£22.03	£0.00	£0.00	£0.00	£0.00	**£22.03**
	Total	**£2.55**	**£24.44**	**£29.36**	**£8.05**	**£73.40**	**£10.43**	**£148.23**

Estimated 10yr PV capital and revenue costs

2.22 Tables 2.9 and 2.10 show the estimated 10yr PV capital and revenue costs for the proposed options.

Table 2.9: Estimated 10yr PV capital and revenue costs for option 2 (£m)

	Industry Costs	Building Safety Authority Costs	Fire Safety Authority Costs	Welsh Government costs	**Total**
Capital Costs	12.12	0.39	-	-	**12.51**
Revenue Costs	102.35	4.26	1.82	22.03	**130.46**
Total Costs	**114.47**	**4.65**	**1.82**	**22.03**	**142.97**

Table 2.10: Estimated 10yr PV capital and revenue costs for option 3 (the Bill) (£m)

	Industry Costs	Building Safety Authority Costs	Fire Safety Authority Costs	Welsh Government costs	**Total**
Capital Costs	12.28	2.11	-	-	**14.39**
Revenue Costs	104.86	4.73	2.21	22.03	**133.84**
Total Costs	**117.14**	**6.84**	**2.21**	**22.03**	**148.23**

Costs in relation to the specific policy requirements of the Bill

2.23 Table 2.11 and 2.12 shows an estimate of present value costs of option 2 and option 3 over 10 years for industry and each of the authorities, against each of the specific policy requirements of the Bill.

Table 2.11: Option 2 10yr NPV (£m) 2023 Prices

	Industry	Local Authorities	Fire and Rescue Authorities	Welsh Government	Total
Fire Safety Measures	£37.208	£0.000	£0.000	£0.000	£37.208
Safety Case	£4.183	£0.005	£0.008	£0.000	£4.196
Golden Thread	£14.268	£0.000	£0.000	£0.000	£14.268
Building Registration Information	£0.068	£0.000	£0.000	£0.000	£0.068
Occurrence Recording and Reporting	£0.064	£0.066	£0.023	£0.035	£0.188
Duties on Residents	£9.418	£0.000	£0.000	£0.000	£9.418
Engaging Residents	£23.006	£0.000	£0.000	£0.000	£23.006
Providing systems to receive building safety complaints	£22.233	£1.262	£0.302	£0.000	£23.797
Sanctions and Enforcement	£2.543	£0.964	£0.806	£21.515	£25.827
Building Registration	£0.047	£0.526	£0.000	£0.485	£1.058
Building Certificate	£0.155	£0.713	£0.664	£0.000	£1.532
Familiarisation and implementation	£1.275	£1.115	£0.017	£0.000	£2.406
Total	**£114.467**	**£4.650**	**£1.820**	**£22.034**	**£142.972**

Table 2.12: Option 3 10yr NPV (£m) 2023 Prices					
	Industry	Local Authorities	Fire and Rescue Authorities	Welsh Government	Total
Fire Safety Measures	£37.208	£0.000	£0.000	£0.000	£37.208
Safety Case	£4.183	£0.005	£0.008	£0.000	£4.196
Golden Thread	£15.822	£0.000	£0.000	£0.000	£15.822
Building Registration Information	£0.404	£0.000	£0.000	£0.000	£0.404
Occurrence Recording and Reporting	£0.064	£0.066	£0.023	£0.035	£0.188
Duties on Residents	£9.418	£0.000	£0.000	£0.000	£9.418
Engaging Residents	£23.006	£0.000	£0.000	£0.000	£23.006
Providing systems to receive building safety complaints	£22.233	£1.262	£0.302	£0.000	£23.797
Sanctions and Enforcement	£3.270	£1.211	£1.200	£21.515	£27.096
Building Registration	£0.079	£2.347	£0.000	£0.485	£2.912
Building Certificate	£0.155	£0.713	£0.664	£0.000	£1.532
Familiarisation and implementation	£1.296	£1.240	£0.017	£0.000	£2.552
Total	**£117.138**	**£6.844**	**£2.214**	**£22.034**	**£148.230**

3. Policy Options

3.1 The analysis assesses the costs of two policy options, over and above the counterfactual:

- Option 1: Business as usual (the counterfactual);
- Option 2: Do minimum: Legislate to introduce a new regime in Wales focusing on the occupation phase of a building's life cycle. The regime would cover the regulation of building safety risks in multi-occupied residential buildings of at least 18m. Multi-occupied residential buildings under 18m and certain Houses in Multiple Occupation (HMOs) would be subject to the fire safety duties, including resident fire safety duties, but would be excluded from scope of the other duties in the regime;
- Option 3: Preferred option (the Bill): Legislate to introduce a new regime in Wales focusing on the occupation phase of a building's life cycle. It would cover the regulation of building safety risks in multi-occupied residential buildings. There would be three categories of building in scope of the regime as follows. Certain Houses in Multiple Occupation (HMOs) would be subject to the fire safety duties but would be excluded from scope of the other duties in the regime.

  In option 3, the categories of regulated building would be:

  - Category 1: Multi-occupied residential buildings of at least 18m tall or at least 7 storeys;
  - Category 2: Multi-occupied residential buildings of less than 18m tall and fewer than 7 storeys and at least 11m tall or at least 5 storeys. These buildings would be subject to some but not all of the requirements that would apply to category 1 buildings;
  - Category 3: Multi-occupied residential buildings of less than 11m tall and fewer than 5 storeys. These buildings would be subject to some but not all of the requirements that will apply to category 2 buildings, including fire safety duties but not structural safety duties.

3.2 There are four categories of requirement for the buildings in scope of the policy (see table 4.1 which details).

3.3 Table 3.1 sets out which buildings will be subject to the policy requirements under the different options.

Table 3.1: Which buildings will be subject to the policy requirements under the different options	
Option 2	
Category 1	18m+
Category 2	11-18m; under 11m
Fire Safety Provisions only	HMO

Table 3.2: Which buildings will be subject to the policy requirements under the different options	
Option 3	
Category 1	18m+
Category 2	11-18m
Category 3	Under 11m
Fire Safety Provisions only	HMO

4. Methodology

4.1 In summary, the analysis estimates/calculates the cost (to the regulator and to industry) of complying with the range of additional requirements (for buildings in scope), over and above the current situation (the counterfactual), proposed under the two policy options assessed in the analysis, for buildings in occupation.

4.2 The additional requirements proposed under each policy option are:

- Preparation of the fire safety position;
- Preparation of safety cases;
- Creation of the golden thread;
- Creation of the key dataset;
- Occurrence recording and reporting;
- Engaging residents;
- Providing systems to receive building safety complaints;
- Duties on residents;
- Sanctions and enforcement;
- Building registration;
- Building Certificate;
- Familiarisation costs.

Sequence of calculations used to estimate the costs of the policy options

4.3 The analysis involves two main steps:

- **Step 1** - Identifying/estimating the additional costs of compliance for typical buildings
- **Step 2** - Multiplying the cost per building by the number of buildings affected (in scope) across Wales over the 10 year policy appraisal period – this provides an estimate of the total cost of each policy option in Wales, over the appraisal period.

Step 1 – sequence of calculations further detail

- Cost of complying with the proposed policy, **per building type,** is calculated through the following two step process:
  - = Types of activity required, by industry and by the regulator, to comply with the policy proposals, per building-type, are identified;
  - = The cost of each of these activities, per building-type, is calculated based on (i) time involved multiplied by an appropriate hourly rate and (ii) quantification of other specific expenditure.

Step 2 – sequence of calculations further detail

- The aggregated cost of complying with policy for all buildings in scope, across Wales, is then calculated as follows:
  - = The number of buildings in scope is identified;
  - = The aggregated cost of policy is then calculated by multiplying the cost per building by the number of buildings in scope.

Appraisal period etc

4.4 The following appraisal periods are used in the analysis:

- Costs – a 10 year policy appraisal period is modelled.
- Benefits – a 70 year appraisal period is used.

Start year and price year

4.5 The analysis uses a start year of 2027-28 and a price year of 2023-24.

Phase in and transition

4.6 The proposed implementation is for category 1 (18m+ buildings) to commence in Year 1 and all other buildings in Year 2.

Assumptions

4.7 The analysis rests on a large number of assumptions. The degree of certainty regarding the assumptions varies.

Assumptions' Quality Rating

4.8 Assumptions have been given a rating of 1-3 to reflect the level of evidence supporting the assumption. The scoring is based on the following criteria.

RAG rating	**1**	Quality is high - known verified source
	2	Quality is medium - evidence based assumption
	3	Quality is low - based on clearly stated assumption without direct supporting evidence
		Check has not been performed due to time or resource constraints.

Types of cost taken into account

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

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

4.10 The estimates do not include the cost of undertaking any remediation work that is identified through the investigations.

Costs for18m+ buildings were assessed first

4.11 The analyse commenced by estimating the costs for the 18m+ buildings. This was relatively straight forward because the majority of the costs had already been identified for the England Building Safety Bill, and it was confirmed that 18m+ residential buildings in Wales are very similar to those in England. England's policy was limited to 18m+, so no costing work had been done for under 18m buildings though.

Therefore, the approach adopted in this analysis to estimate the costs for other multi dwelling buildings was to start with the 18m+ building costs and adjust these to reflect any differences with under 18m buildings.

Requirements of each policy option

4.12 Table 4.1 shows the four categories of requirements for Option 2.

OPTION 2

Do Minimum: Legislate to introduce a new regime in Wales focusing on the occupation phase of a building's life cycle. The regime would cover the regulation of building safety risks in multi-occupied residential buildings of at least 18m. Multi-occupied residential buildings under 18m and certain Houses in Multiple Occupation (HMOs) would be subject to the fire safety duties, including resident fire safety duties, but would be excluded from scope of the other duties in the regime.

Table 4.1: Four categories of requirements for policy option 2

	Cat 1	Cat 2	Cat 2	Relevant HMO	Costed Measures
	18m+	11-18m	0-11m		
Fire Safety Position	Yes	yes	yes	yes	Fire Risk Assessment - new
	yes	yes	yes	yes	Fire Risk Assessment - annual update
Structural safety position	yes	yes			Structural risk assessment – to be set out in regulations
Safety Cases	yes				Safety Case Evidence Base - Collate information and fill gaps
	yes				Safety Case Evidence Base - Building Surveys
	yes				Safety Case Evidence Base - annual update
	yes				Safety Case Evidence Base - 5 yearly building survey

	yes				support from BSA in preparing safety cases
	yes				Safety Case Report - prepare initial report
	yes				Safety Case Report - 5 yearly update
Golden Thread	yes				produce 2D plans including fire safety and structural data
	yes				annual update of plans
	yes	yes	yes	yes	manage and maintain a digital record (very light touch for cat 2)
Building Registration Information	yes	no	no	no	provide Building Registration Information
Occurrence recording and reporting	yes				occurrence recording and reporting for refurbishments
	yes				occurrence recording and reporting for existing buildings
Duties on residents	yes	yes	yes (Fire safety duties only)	yes (HMOs not within a Cat 1 or Cat 2 building will have some fire safety duties)	PAP/AP preparation and issue of contravention notices[1] HMOs not within a Cat 1 or Cat 2 building- FSA enforcement via a compliance notice
Engaging Residents	yes	yes[2]	yes[3]		prepare building safety information for residents

[1] There will also be some direct enforcement by the BSA and FSA although this will not be routine
[2] Some information provided to residents (not full strategy)
[3] Some information provided to residents (not full strategy)

	yes				prepare and review residents' engagement strategy, revising it as appropriate
	yes				hold meetings - annually
	yes yes				additional meetings during refurbishment Provision of copies of strategy by APs
Provision of information and documents to other persons	yes	yes	yes	yes	including on change of accountable person Regs will set out when and how documents should be given
Systems to receive building safety complaints	yes				establish an internal residents' complaints process
	yes				respond to incidents - categorise
	yes				respond to incidents - report progress to residents
	yes	due regard	due regard		inform/escalate to BSA
		yes	yes		arrange consideration of complaints
Sanctions and Enforcement	yes	yes	yes	yes	investigate issue
	yes	yes	yes	yes	informal notice issued
	yes	yes	yes	yes	formal notice issued
	yes	yes	yes	yes	legal proceedings commence
	yes	yes	yes	yes	Prosecution
Registration	yes	no	no	no	submit registration information and register buildings
	yes	no	no	no	BSA to review Building Registration Information

	yes	no	no	no	BSA may be required to review registration decisions (prior to right to appeal to RPT)
Determination of PAP (BSA[4])	yes	yes	yes	yes	
Building Certificate	yes				BSA to review (i) safety case and supporting information for category 1 buildings
PAP/AP enforcement (Contravention orders)	yes	yes	yes	no	

[4] The building safety authority will be able to make a determination as to who the PAP is where there are two or more people that meet the definition, they make a joint application to the building safety authority (that is, they would normally be expected to be in agreement about who the PAP is but seeking confirmation from the authority). Where a joint application cannot be made, the application would go to the tribunal. This will apply across all categories of building.

4.13 Table 4.2 shows the four categories of requirements for Option 3.

OPTION 3

Preferred option (the Bill): Legislate to introduce a new regime in Wales focusing on the occupation phase of a building's life cycle. It would cover the regulation of building safety risks in multi-occupied residential buildings. There would be three categories of building in scope of the regime as follows. Certain Houses in Multiple Occupation (HMOs) would be subject to the fire safety duties but would be excluded from scope of the other duties in the regime.

In option 3, the categories of regulated building would be:

- Category 1: Multi-occupied residential buildings of at least 18m tall or at least 7 storeys;
- Category 2: Multi-occupied residential buildings of less than 18m tall and fewer than 7 storeys and at least 11m tall or at least 5 storeys. These buildings would be subject to some but not all of the requirements that would apply to category 1 buildings;
- Category 3: Multi-occupied residential buildings of less than 11m tall and fewer than 5 storeys. These buildings would be subject to some but not all of the requirements that will apply to category 2 buildings, including fire safety duties but not structural safety duties.

Table 4.2: Four categories of requirements for policy option 3

	Cat 1	Cat 2	Cat 3	Relevant HMO	Costed Measures
	18m+	11-18m	0-11m		
Fire Safety Position	yes	yes	yes	yes	Fire Risk Assessment - new
	yes	yes	yes	yes	Fire Risk Assessment - annual update
Structural safety position	yes	yes			Structural risk assessment – to be set out in regulations
Safety Cases	yes				Safety Case Evidence Base - Collate information and fill gaps

	yes				Safety Case Evidence Base - Building Surveys
	yes				Safety Case Evidence Base - annual update
	yes				Safety Case Evidence Base - 5 yearly building survey
	yes				support from BSA in preparing safety cases
	yes				Safety Case Report - prepare initial report
	yes				Safety Case Report - 5 yearly update
Golden Thread	yes				produce 2D plans including fire safety and structural data
	yes				annual update of plans
	yes	yes KBI[5]	yes KBI	yes KBI	manage and maintain a digital record (very light touch for cat 2/3)
Building Registration Information	yes	no	no	no	provide Building Registration Information
Occurrence recording and reporting	yes				occurrence recording and reporting for refurbishments
	yes				occurrence recording and reporting for existing buildings
Duties on residents	yes	yes	yes (Fire safety duties only)	yes (HMOs not within a Cat 1 or Cat 2 building will have some fire safety duties)	PAP/AP preparation and issue contravention notices[6] HMOs not within a Cat 1 or Cat 2 building- FSA enforcement via a compliance notice

[5] Key Building information in Cat 2 includes structural safety information *(may or may not include 2D plans – this will be for regs). Cat 3 is just fire safety information (and not 2D plans)
[6] There will also be some direct enforcement by the BSA and FSA although this will not be routine

Engaging Residents	yes	yes[7]	yes[8]		prepare building safety information for residents
	yes				prepare and review residents' engagement strategy, revising it as appropriate
	yes				hold meetings - annually
	yes				additional meetings during refurbishment
	yes				provision of copies of strategy by APs
Provision of information and documents to other persons	yes	yes	yes	yes	
Resident Complaints	yes				establish an internal residents' complaints process
	yes				respond to incidents – categorise
	yes				respond to incidents - report progress to residents
	yes	due regard	due regard		inform/escalate to BSA
Sanctions and Enforcement	yes	yes	yes	yes	investigate issue
	yes	yes	yes	yes	informal notice issued
	yes	yes	yes	yes	formal notice issued
	yes	yes	yes	yes	legal proceedings commence
	yes	yes	yes	yes	prosecution

[7] Some information provided to residents (not full strategy)
[8] Some information provided to residents (not full strategy)

Registration	yes	Yes	No	No	submit registration information and register buildings
	yes	Yes	No	No	BSA to review Building Registration Information
	yes	yes	no	no	BSA may be required to review registration decisions (prior to right to appeal to RPT)
Determination of PAP (BSA[9])	Yes	Yes	Yes	Yes	
Building Certificate	yes				BSA to review (i) safety case and supporting information for CAT 1 buildings
PAP/AP enforcement (Contravention orders)	Yes	Yes	Yes	No	FSA and BSA notified on application for an order[10]

[9] The building safety authority will be able to make a determination as to who the PAP is where there are two or more people that meet the definition, they make a joint application to the building safety authority (that is, they would normally be expected to be in agreement about who the PAP is but seeking confirmation from the authority). Where a joint application cannot be made, the application would go to the tribunal. This will apply across all categories of building.

[10] BSA may provide advice and guidance to the PAP/AP or resident on general duties/good practice e.g. pointing to sources of support as to your rights, or PAP/AP guidance (which we will produce) on supporting residents to meet their duties, but as duties on residents relate only to fire safety FSA will be the enforcing authority

Buildings in scope and time cost assumptions - overview

4.14 Table 4.3 sets out details of the common assumptions used across the analysis regarding time costs and building numbers.

Table 4.3: Common assumptions used across the analysis regarding time costs and building numbers

ID	Assumption	Industry / Regulator Costs	Type of metrics - hrs, £, %	Type of assumption e.g. one-off transition cost/ annual ongoing costs	Location in the report	Cat 1 (18m+) assumption	Cat 2 (11-18m) assumption	Cat 3 (large block of flats) assumption	Cat 3 (small block of flats) assumption	Cat 3 (converted house) assumption	Plain English description with key details	Methodology behind assumption / input	Quality Rating (RAG)
0_1	hourly rates used to value the cost of time - industry	Industry			Table 4.6						industry time costs have been valued using an average of employment costs (valuing internal staff time) and typical industry charge out rates (valuing external staff time). General assumption across development and design industry is that 50% of	Survey by Adroit consortium to gather information on charge out rates in 2019 and inflated to current prices using annual wage inflation from ASHE	2

											resourcing will be inhouse staff and 50% will be outsourced external staff time.		
0_2	Employment Costs	Industry			Table 4.6						ASHE is the ONS source for salary costs and is aligned to previous impact assessments. A 20.6% uplift for non-wage employment costs (such as pensions) is based on an RPC opinion (in turn based on the census labour costs)	ASHE is published by ONS and is a reliable source of information about wages and salaries	1
0_3	hourly rates used to value the cost of time - regulator	Regulator			Table 4.5						regulator time costs have been valued using employment costs based on average salaries provided by WG and regulators in England,	information provided by MHCLG / HSE	1

											including the 20.6% uplift for non-wage employment costs and adding 65% to allow for other non-employment costs such as admin support, HR, marketing, travel etc. The 65% uplift was agreed with MHCLG.		
0_4	working hours per day	Both	hrs			7.5	7.5	7.5	7.5	7.5	Assumptions used for valuing time and FTE employment - 7.5 hr per day / 220 working days per year	Typical industry standard for working days/hours	1
0_5	Building Numbers (Year 1)	Both	building numbers			180	449	1,044	5,936	44,225	building data provided by WG. Adroit analysis to best fit numbers to reference building types	information provided by WG	2
0_6	estimated number of flats per building	Both	flats per building			56	40	40	9	2	estimated number of flats per building to inform estimate costs	based on typical floorplate of buildings and number of	2

												stories and data provided by WG	
0_7	New Build Rate	Both	as % of stock per annum	annual		2.3%	2.0%	2.0%	0.7%	0.1%	estimate of the number of new buildings constructed per annum	assumptions based on estimated provided by WG for Cat 1 buildings (4 p.a.) and estimates by Adroit based on trends in number of new build flats, assuming higher growth in larger blocks of flats. Assume all new build Cat 1 buildings are not LA owned	2
0_8	Refurbishment Rate	Both	as % of stock per annum	annual		3%	3%	3%	3%	3%	assuming 3% of buildings are refurbished p.a. based on lifespan of elements such as cladding	based on PRP experience that buildings have a major refurbishment every 30 years	2

Buildings in scope assumptions – further detail

Reference Buildings

4.15 To assess the cost per building, the analysis identifies a small number of 'typical' buildings, which are thought to represent a high proportion of buildings in scope. These typical buildings (building-types) are termed reference buildings in the analysis.

4.16 Table 4.4 shows the reference buildings on which the model is based. These were estimated based on typical floorplates and number of floors for purpose-built flats and the ratio of dwellings to buildings for the other buildings (mixed use and conversions).

Table 4.4: Reference buildings – size (number of dwellings)

Reference building types	Number of dwellings per building
Residential building at least 18m	56
Residential buildings between 11 and 18m	40
Purpose Built Block of Flats under 11m – large (26+ residential units)	40
Purpose Built Block of Flats under 11m – small (6 to 25 residential units)	9
Converted Houses / Flats over Shops	2
Sheltered accommodation	9
student accommodation	30

Time cost assumptions – further detail

Regulator Time Costs

4.17 Regulator time costs have been estimated based on direct employee costs only (no outsourcing is assumed).Hourly rates are based on:

- Hourly rates based on data collated on employment costs and charge out rates in 2019 and inflated to 2023 prices using the HMT GDP deflator;

- Salary plus 20.6% on-costs – salary rates were derived from information provided by HSE and FRS on average pay for different grade levels and ONS data for other occupations;
- The resulting rate was then further adjusted (+65%) to include non-employment costs (such as the cost of travel & IT equipment, administrative support, marketing etc).

4.18 Table 4.5 shows the hourly rates used in the analysis to calculate regulator time costs.

Table 4.5: Hourly rates – Regulator time costs

Dutyholder	Occupation	2023 Salary + oncosts	2023 Hourly Rates (+65% for non-employment costs)
BSA	Lead Regulator / Project Manager	£57.50	£94.87
BSA	Building Control expert	£40.88	£67.45
BSA	Fire Engineer	£45.39	£74.89
BSA	Structural Engineer	£45.39	£74.89
BSA	Admin	£18.76	£30.95
FSA	Fire inspection Staff Watch Manager	£39.10	£64.51
FSA	Fire inspection staff Station Manager	£53.71	£88.63
Local Planning Authority	Planning Officer	£31.14	£51.39

4.19 Details of other assumptions used in the model are set out in the various Assumptions 'tabs'.

Industry Time Costs

4.20 All industry time costs are assumed to comprise a blend of direct employment costs and outsourcing costs (50/50) (as was done in the England appraisal):

- Activities undertaken by employees – these are termed direct cost of employee and are based on salary rates plus 20.6% on-costs;

- = ASHE (annual survey of hours and earning – ONS) has been used as the source of salary data;
- = The 20.6% on-costs covers additional employment costs such as pensions etc and is based on ONS data.
- = Regarding direct employment costs - HMT Green Book advises that to assess the economic cost of industry time the correct approach is to value the opportunity cost of the resource (i.e. labour). (para 6.1).

- Activities that our outsourced - buying in support (rather than using employees) for example from a third party, such as a property management company – are costed as follows:
  - = Hourly charge out rates for a range of relevant occupations/ professions have been used - charge out rates already include productivity, overheads and profit.

4.21 Table 4.6 shows the hourly rates used in the analysis to calculate industry time costs.

Table 4.6: Hourly rates used to calculate industry time costs

Dutyholder	Occupation	2023 Salary + oncosts	2023 Hourly Rates (Blended)	SOC code
Building Owner	Principal Accountable Person / Accountable Person	£34.29	£89.07	1122
Building Owner	Safety Manager	£42.96	£66.09	
Building Owner	Legal Advice	£34.29	£89.07	
Building Owner	Health and Safety Expert	£27.38	£66.09	
Building Owner	Fire Risk Assessor	£24.50	£63.87	
Building Owner	Building Manager	£35.32	£45.82	
Building Owner	Administrator	£18.77	£32.10	
Client	Project manager	£34.29	£89.07	1122
Client	Architect	£32.65	£66.33	2431
Principal Contractor	Project Manager	£34.29	£89.07	1122
Principal Contractor	Contractors	£28.60	£53.84	2436
Principal Contractor	Site Manager	£28.60	£55.07	2436

5. Sequence of calculations – example - Fire Safety Position

5.1 This section shows, as an example, the sequence of calculations and types and sources of assumptions used in the model to cost one strand of policy – fire risk assessment. A similar process is used to cost all other elements of policy.

5.2 The calculations and assumptions are in the blue tab "1. Fire Safety Position" in the model.

Sequence of calculations

5.3 The following sequence of calculations is used:

- Cost per building type:
  - = Identification of the nature and type of activities that need to be undertaken, per building, to comply with policy;
  - = Identification of the amount of time required, and by whom;
  - = Monetisation of the time required by applying appropriate hourly rates;
  - = Identification of any specific expenditure/costs;
- Scaling up:
  - = Identifying the number of buildings in scope in Wales;
  - = Estimating the number of buildings to which policy is assumed to apply;
  - = Estimating the counterfactual;
  - = Deducting the counterfactual from the buildings in scope;
  - = Multiplying the remainder by the cost per building.

5.4 The following tables show key steps in/ elements of the calculations.

Time required per building - 18m+

5.5 Table 5.1 shows assumptions regarding the time required to prepare an initial report and to undertake an annual review.

Table 5.1: Time required per initial report, annual review and 5 yearly review, for an 18m+ building									
						Range			
		Who	Whether initial transition cost or repeatable cost	Industry or regulator	Time cost of other	Low	Mid	High	Type of cost
Check Fire Risk Assessor Competence									
Time to check registered for competent assessor	Initial FRA Report	PAP/AP	Transition	Industry	hrs per FRA	0.25	0.25	0.25	One-off
Cost of Fire Risk Assessment									
Cost of producing initial FRAs	Fire Risk Assessments	Survey & report	Transition	Industry	Cost per FRA	£1,000	£1,250	£1,500	One-off
Booking flat inspections - Safety Manager	Fire Risk Assessments	Safety Manager	Transition	Industry	hrs per FRA	7.5	10	15	One-off
Annual review									
PAP time for management processes and checking	Annual FRA Review	PAP/AP	Annual	Industry	hrs per FRA per annum	1	1.5	2	Annual
Visual survey – FR assessor time on site	Annual FRA Review	Fire Risk Assessor	Annual	Industry	hrs per FRA per annum	2	2	2	Annual
FRA report production – FR assessor time	Annual FRA Review	Fire Risk Assessor	Annual	Industry	hrs per FRA per annum	1	2	3	Annual

Scope of *Surveys*

- Visual survey - visual walk around building and inside looking at building approach, external wall systems, FF systems, common areas, risers, plant rooms, flat external and exteriors
- Intrusive surveys - intrusive of external walls, common area compartmentation and in flat compartmentation (it is suggested this is done if there are concerns about compartmentation in the common areas, estimated at 10% of buildings))

Survey counterfactual

- Some of these surveys will have already been undertaken on a number of taller/mid-rise buildings so will be under the counterfactual, but to a lesser extent on the lower buildings;
- Few will have had intrusive surveys in flats.

Mitigation

5.6 The proposed policy intent is that if mitigation measures are required, as a result of risk assessment, this will require a more survey time, plus more time and cost to implement mitigation. This has not been modelled yet.

Allowing for the counterfactual

5.7 Table 5.2 shows the assumptions made regarding the counterfactual. The assumptions are based on the consultants' industry experience.

Table 5.2: Assumptions used to account for the counterfactual – 18m+			
Proportion of Buildings - counterfactual	Low	Mid	High
% of FRA reviewed annually	90%	90%	90%

Proportion of buildings to which policy is assumed to apply

5.8 Table 5.3 shows the proportion of buildings to which policy is assumed to apply. The proportions are based on the intentions of the current proposed policy.

Table 5.3: Proportion of Buildings to which Policy is assumed to apply			
	Low	Mid	High
% of buildings required to prepare FRA	100%	100%	100%
% of FRA reviewed annually	100%	100%	100%

Scaling up

5.9 Table 5.4 shows how the above assumptions are applied to calculate to cost of complying with policy for 18m+ buildings across Wales.

5.10 Table 5.4 is divided into two parts:

- Part 1: Calculates the number of 18m+ buildings in scope, allowing for the counterfactual:
  - = Column 1 shows the list of activities that need to be undertaken;
  - = Column 2 shows whether the cost is a time cost or specific expenditure;
  - = Column 3 shows who bears the cost – industry or the regulator;
  - = Column 4 shows whether the cost is a transition cost or an ongoing cost;
  - = Column 5 shows the % of buildings to which this applies;
  - = Column 6 shows the number of buildings to which this applies in the first year of policy
  - = Column 7 shows the number of buildings to which this applies in the second year of policy…and so on
- Part 2: Cost per building multiplied by number of buildings:
  - = Column 5 shows the cost per building for each activity.

5.11 The remaining columns shows the resulting total policy cost for each year of the 10 year appraisal period.

Table 5.4:Extract from the scaling up calculation for the Fire Safety Position for category 1 Buildings (non-LA owned)										
Col 1	2	3	4	5	6	7	8			
Activity	Type of Cost	Industry/ Regulator	Annual/ Transition		Yr 1	Yr 2	Yr 3	……	Yr 9	Yr 10
				% of buildings						
Check Fire Risk Assessor Competence				100%	151					
Commission New Fire Risk Assessment (above counterfactual)				10%	15					
Flat Inspections				10%	1.5					
Fire Risk Assessment - annual update (above counterfactual)				10%		15	16		18	18
				Cost per building						
time to check Fire Risk Assessor Competence	Staffing	Industry	Transition	£22	£3,362					
Commission New Fire Risk Assessment	Fees	Industry	Transition	£1,250	£18,875					
Flat Inspections	Staffing	Industry	Transition	£661	£998					
Fire Risk Assessment - annual update	Staffing	Industry	Annual	£389		£5,875	£6,031		£6,965	£ 7,120
Total Cost		Industry			£23,235	£5,875	£6,031		£6,965	£7,120
Total Cost		Regulator								

6. Results

Costs

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

6.1 Table 6.1 shows the estimated 10yr PV costs for proposed options.

Table 6.1: Estimated 10yr PV costs for Proposed Options (£m)

		Industry Costs	Building Safety Authority Costs	Fire Safety Authority Costs	Welsh Government costs	Total
Counterfactual - no change	Option 1	-	-	-	-	-
All multi-occupied residential buildings at least 18m subject to category 1 duties. Multi-occupied residential building below 18m subject to fire safety provisions only.	Option 2	114.47	4.65	1.82	22.03	**142.97**
All multi-occupied residential buildings at least 18m subject to category 1 duties; multi-occupied residential buildings between 11-18m subject to category 2 duties; multi-occupied residential building below 11m subject to category 3 duties; relevant HMO subject to the fire safety provisions only	Option 3	117.14	6.84	2.21	22.03	**148.23**

Estimated 10yr PV Costs for Proposed Options by Building Type (£m)

6.2 Tables 6.2 and 6.3 show the estimated 10yr PV costs for the proposed options by building type.

Table 6.2: Estimated 10yr PV costs for option 2 by building type (£m)

		Transition Costs	Other Costs (BSA IT etc)	18m+ buildings	11-18m buildings	<11m buildings	HMO	Total
All multi-occupied residential buildings at least 18m subject to category 1 duties. Multi-occupied residential building below 18m subject to fire safety provisions only.	Industry	£1.27	£0.25	£26.51	£5.44	£70.59	£10.39	**£114.47**
	BSA	£1.11	£0.43	£1.97	£0.13	£1.00	£0.00	**£4.65**
	FSA	£0.02	£0.00	£0.87	£0.17	£0.72	£0.03	**£1.82**
	WG		£22.03	£0.00	£0.00	£0.00	£0.00	**£22.03**
	Total	**£2.41**	**£22.72**	**£29.36**	**£5.75**	**£72.31**	**£10.43**	**£142.97**

Table 6.3: Estimated 10yr PV costs for option 3 (the Bill) by building type (£m)

		Transition Costs	Other Costs (BSA IT etc)	18m+ buildings	11-18m buildings	<11m buildings	HMO	Total
All multi-occupied residential buildings at least 18m subject to category 1 duties; multi-occupied residential buildings between 11-18m subject to category 2 duties; multi-occupied residential building below 11m subject to category 3 duties; relevant HMO subject to the fire safety provisions only	Industry	£1.30	£0.25	£26.51	£7.51	£71.17	£10.39	**£117.14**
	BSA	£1.24	£2.15	£1.97	£0.28	£1.20	£0.00	**£6.84**
	FSA	£0.02	£0.00	£0.87	£0.26	£1.04	£0.03	**£2.21**
	WG		£22.03	£0.00	£0.00	£0.00	£0.00	**£22.03**
	Total	**£2.55**	**£24.44**	**£29.36**	**£8.05**	**£73.40**	**£10.43**	**£148.23**

Estimated 10yr PV Costs for Proposed Options by Detailed Building Type (£)

6.3 Table 6.4 shows the estimated 10yr PV costs for option 2 by detailed building type (£).

Table 6.4: Estimated 10yr PV costs for option 2 by Detailed Building Type (£)

	Transition costs	Other Costs (BSA IT etc)	18m+_non-LA owned	18m+_LA owned	Purpose Built Flats - 11-18m	Purpose Built Flats - large (<11m)	Purpose Built Flats - small	Converted Houses / Flats over shops (2-5 flats)	Sheltered accommodation	student accommodation	HMO	Total
Industry	1,274,978	254,924	22,470,516	4,043,363	5,442,199	786,936	23,994,423	43,989,860	1,640,526	175,824	10,393,447	114,466,996
BSA	1,114,632	426,717	1,680,058	292,328	132,139	20,148	384,561	571,718	24,036	3,759	-	4,650,096
FSA	16,744	-	745,102	129,061	173,269	26,836	500,112	161,132	30,334	4,773	32,881	1,820,245
WG		22,034,417										22,034,417
Total	2,406,354	22,716,057	24,895,676	4,464,753	5,747,606	833,920	24,879,096	44,722,710	1,694,896	184,357	10,426,328	142,971,754

6.4 Table 6.5 shows the estimated 10yr PV costs for option 3 (the Bill) by detailed building type (£).

Table 6.5: Estimated 10yr PV costs for option 3 (the Bill) by detailed building type (£)

	Transition costs	Other Costs (BSA IT etc)	18m+_non-LA owned	18m+_LA owned	Purpose Built Flats - 11-18m	Purpose Built Flats - large (<11m)	Purpose Built Flats - small	Converted Houses / Flats over shops (2-5 flats)	Sheltered accommodation	student accommodation	HMO	Total
Industry	1,295,720	254,924	22,470,516	4,043,363	7,512,498	809,913	24,420,176	44,087,645	1,669,517	180,389	10,393,447	**117,138,108**
BSA	1,239,721	2,148,254	1,680,058	292,328	283,974	28,244	534,295	597,254	34,243	5,367	-	6,843,739
FSA	16,744	-	745,102	129,061	255,012	39,549	735,518	206,353	46,371	7,299	32,881	2,213,890
WG		22,034,417										22,034,417
Total	2,552,185	24,437,594	24,895,676	4,464,753	8,051,484	877,706	25,689,989	44,891,252	1,750,132	193,055	10,426,328	148,230,155

Estimated Average Annual Cost for Proposed Options by Detailed Building Type (£)

6.5 Table 6.6 shows the estimated average annual cost for option 2 by detailed building type (£).

Table 6.6 Estimated average annual cost for option 2 by detailed building type (£)

	Other Costs (BSA IT etc)	18m+_non-LA owned	18m+_LA owned	Purpose Built Flats - 11-18m	Purpose Built Flats - large (<11m)	Purpose Built Flats - small	Converted Houses / Flats over shops (2-5 flats)	Sheltered accommodation	student accommodation	HMO
Industry	29,616	2,610,517	469,739	632,249	91,423	2,787,558	5,110,532	190,588	20,426	1,207,461
BSA	49,574	195,181	33,961	15,351	2,341	44,676	66,420	2,792	437	-
FSA	-	86,562	14,994	20,130	3,118	58,101	18,720	3,524	555	3,820
WG	2,559,854	-	-	-	-	-	-	-	-	-

6.6 Table 6.7 shows the estimated average annual for option 3 (the Bill) by detailed building type (£)

Table 6.7 Estimated average annual cost for option 3 (the Bill) by detailed building type (£)

	Other Costs (BSA IT etc)	18m+_non-LA owned	18m+_LA owned	Purpose Built Flats - 11-18m	Purpose Built Flats - large (<11m)	Purpose Built Flats - small	Converted Houses / Flats over shops (2-5 flats)	Sheltered accommodation	student accommodation	HMO
Industry	29,616	2,610,517	469,739	872,766	94,092	2,837,020	5,121,892	193,957	20,957	1,207,461
BSA	249,574	195,181	33,961	32,991	3,281	62,072	69,386	3,978	624	-
FSA	-	86,562	14,994	29,626	4,595	85,449	23,973	5,387	848	3,820
WG	2,559,854	-	-	-	-	-	-	-	-	-

Estimated Average Annual Cost per Building for Proposed Options by Detailed Building Type (£)

6.7 Table 6.8 shows the estimated average annual cost per building for option 2 by detailed building type (£).

Table 6.8 Estimated average annual cost per building for option 2 by detailed building type (£)

	18m+_non-LA owned	18m+_LA owned	Purpose Built Flats - 11-18m	Purpose Built Flats - large (<11m)	Purpose Built Flats - small	Converted Houses / Flats over shops (2-5 flats)	Sheltered accommodation	student accommodation	HMO
Industry	15,447	16,198	1,292	1,209	443	114	448	1,018	62
BSA	1,155	1,171	31	31	7	1	7	22	-
FSA	512	517	41	41	9	0	8	28	0
WG									

6.8 Table 6.9 shows the estimated average annual cost per building for option 3 (the Bill) by detailed building type (£).

Table 6.9 Estimated average annual cost per building for option 3 (the Bill) by detailed building type (£)

	18m+_non-LA owned	18m+_LA owned	Purpose Built Flats - 11-18m	Purpose Built Flats - large (<11m)	Purpose Built Flats - small	Converted Houses / Flats over shops (2-5 flats)	Sheltered accommodation	student accommodation	HMO
Industry	15,447	16,198	1,783	1,245	451	114	456	1,045	62
BSA	1,155	1,171	67	43	10	2	9	31	-
FSA	512	517	61	61	14	1	13	42	0
WG									

Estimated Average Annual Cost per Flat for Proposed Options by Detailed Building Type (£)

6.9 Table 6.10 shows the estimated average annual cost per flat for option 2 by detailed building type (£).

Table 6.10 Estimated average annual cost per flat for Proposed Options by Detailed Building Type (£)

	18m+_non-LA owned	18m+_LA owned	Purpose Built Flats - 11-18m	Purpose Built Flats - large (<11m)	Purpose Built Flats - small	Converted Houses/Flats over shops (2-5 flats)	Sheltered accommodation	student accommodation	HMO
Industry	276	289	32	30	49	57	50	34	62
BSA	21	21	1	1	1	1	1	1	0
FSA	9	9	1	1	1	0	1	1	0
WG									

6.10 Table 6.11 shows the estimated average annual cost per flat for option 3 (the Bill) by detailed building type (£).

Table 6.11 Estimated average annual cost per flat for option 3 (the Bill) by detailed building type (£)

	18m+_non-LA owned	18m+_LA owned	Purpose Built Flats - 11-18m	Purpose Built Flats - large (<11m)	Purpose Built Flats - small	Converted Houses / Flats over shops (2-5 flats)	Sheltered accommodation	student accommodation	HMO
Industry	276	289	45	31	50	57	51	35	62
BSA	21	21	2	1	1	1	1	1	-
FSA	9	9	2	2	2	0	1	1	0
WG									

Estimated 10yr PV Capital and Revenue Costs

6.11 Tables 6.12 and 6.13 show the estimated 10yr PV capital and revenue costs for the proposed options. These costs are all related to IT systems – for the Golden Thread for PAPs/AP and for the BSA to maintain a database for registration and building information.

Table 6.12: Estimated 10yr PV capital and revenue costs for option 2 (£m)

	Industry Costs	Building Safety Authority Costs	Fire Safety Authority Costs	Welsh Government costs	**Total**
Capital Costs	12.12	0.39	-	-	**12.51**
Revenue Costs	102.35	4.26	1.82	22.03	**130.46**
Total Costs	**114.47**	**4.65**	**1.82**	**22.03**	**142.97**

Table 6.13: Estimated 10yr PV capital and revenue costs for option 3 (the Bill) (£m)

	Industry Costs	Building Safety Authority Costs	Fire Safety Authority Costs	Welsh Government costs	**Total**
Capital Costs	12.28	2.11	-	-	**14.39**
Revenue Costs	104.86	4.73	2.21	22.03	**133.84**
Total Costs	**117.14**	**6.84**	**2.21**	**22.03**	**148.23**

7. Annex A: Fire Safety Position Assumptions

The requirement

7.1 The fire safety position refers to the requirement for buildings in scope to have a new fire risk assessment which is updated annually.

Buildings in scope

7.2 Applies to all multi-dwelling buildings in Wales and HMOs.

Assumed activities

- All PAPs across cat 1, cat 2 and cat 3 buildings (including HMO) will commission a new Fire Risk Assessment within the first year of the policy;
- All PAPs will assess the competency of the fire risk assessor. It is assumed that an online register will be available;
- To support new fire risk assessments, 10% of cat 1 buildings, cat 2 buildings and large cat 3 buildings, and 5% of small cat 3 blocks of flats will undertake flat inspections;
- All Accountable Persons will review their Fire Risk Assessments annually;
- The counterfactual assumes that 90% of 18m+ buildings, 33% of large blocks of flats (including all 11-18m buildings) and 20% of other smaller buildings are commissioning new/updated FRAs each year.

7.3 Table 7.1 sets out details of the common assumptions used to cost the activities required to comply with Fire Safety Position requirement:

Table 7.1: Common assumptions used to cost the activities required to comply with the Fire Safety Position requirement												
ID	Assumption	Industry / Regulator Costs	Type of metrics - hrs, £, %	Type of assumption - e.g. one-off transition cost/annual ongoing costs	Cat 1 (18m+) assumption	Cat 2 (11-18m) assumption	Cat 3 (large block of flats) assumption	Cat 3 (small block of flats) assumption	Cat 3 (converted house) assumption	Plain English description with key details	Methodology behind assumption / input	Quality Rating (RAG)
1_1	buildings in scope of fire safety provisions in Bill				yes	yes	yes	yes	yes	all Cat 1, Cat 2 and Cat 3 buildings as well as relevant HMOs	Policy	1
1_2	number of buildings reviewing FRA annually under counter factual		% of all buildings	counterfactual - annual	90%	33%	33%	20%	20%	assume FRAs are reviewed annually for 90% of Cat 1 buildings, every 3 years for large purpose built block of flats and once every 5 years (20%) for a typical small building under the counterfactual	PRP Industry Experience	2
1_3	number of buildings reviewing FRA under policy		% of all building	policy - annual	100%	100%	100%	100%	100%	assume all PAPs commission a review of the FRA under policy every year	policy	1
1_4	number of buildings		% of all building	policy - annual	100%	100%	100%	100%	100%	assume all PAPs review competency of Fire Risk Assessor	Consultant's judgement	1

	reviewing FRA assessor competency											
1_5	time to assess competency	Industry	hrs per building	policy - one-off - year 1	0.25	0.25	0.25	0.25	0.25	Assume 15 mins for each PAP to check competency of a Fire Risk Assessor - assuming an online register is available	PRP Industry Experience	2
1_6	cost to prepare FRA	Industry	£ per building	policy - one-off - year 1	£1,250	£1,100	£1,100	£600	£100	Assume cost to prepare a type 3 FRA	PRP Industry Experience	2
1_7	Proportion of buildings with flat inspections as part of initial FRA		% of all building	policy - one-off - year 1	10%	10%	10%	5%	0%	assume a proportion of the larger buildings will require access to flats as part of the FRA	PRP industry experience	2
1_8	Time to undertake flat inspections	Industry	hrs per building	policy - one-off - year 1	10	5	5	1	-	time required to book time with residents/leaseholders to enter flats to inspect internal parts of flats (e.g. fire door closers)	PRP industry experience	2
1_9	time to review FRA	Industry	hrs per building	policy - annual cost	5.5	3.5	3.5	2.75	0.75	time to review FRA annually based on time for PAP to coordinate, and time for a visual survey	PRP industry experience	2

8. Annex B: Safety Cases

The requirement

8.1 The requirement to prepare a safety case for buildings in scope.

Buildings in scope

8.2 Only applies to category 1 buildings

Assumed activities

- 20% of buildings have a safety case prepared each year over the first 5 years of the policy. This involves;
  - = Preparing the safety case evidence base
  - = Preparing the safety case report
- 1 in 5 (20%) safety cases require building surveys to support the preparation of the safety case;
- 3% of buildings require a new safety case report p.a. following change of PAP;
- The BSA provides support to the AP to help prepare 10% of the first safety cases;
- Once a safety case is prepared there is an annual cost to keep it up to date;
- 5 years after the initial safety case is prepared, all buildings commission a building survey and prepare an updated safety case report.

8.3 Table 8.1 sets out details of the common assumptions used to cost activities required to comply with the Safey Case preparation requirement.

Table 8.1: Common assumptions used to cost the activities required to comply with the Safety Case preparation requirement												
ID	Assumption	Industry / Regulator Costs	Type of metrics - hrs, £, %	Type of assumption - e.g. one-off transition cost/annual ongoing costs	Cat 1 (18m+) assumption	Cat 2 (11-18m) assumption	Cat 3 (large block of flats) assumption	Cat 3 (small block of flats) assumption	Cat 3 (converted house) assumption	Plain English description with key details	Methodology behind assumption / input	Quality Rating (RAG)
2_1	buildings in scope of safety case requirements				yes	no	no	no	no	Category 1 buildings only	policy	1
2_2	activities required to prepare safety case									Initial collation of evidence base and building information required to prepare safety case for existing buildings (assume not required for new build). Filling gaps in evidence base. Analysis of information and preparation of safety case report required for all buildings (existing and new)	policy	1
2_3	Phasing of completion of first safety cases for existing building - proportion of buildings completed per annum		% of all buildings	policy - transition cost - annual (until all buildings have safety cases prepared)	20%					initial safety cases for existing buildings are assumed to be prepared and completed over a 5 year period - 20% p.a.	consultants judgement	3
2_4	building intrusive surveys to inform safety case evidence		% of all safety cases	policy - transition	20%					assume 20% of initial safety cases require building surveys to be undertaken to collect the necessary information about the fire and structural performance of the building	PRP industry experience - tested with MHCLG/HSE	2

	base - as % of all safety cases											
2_5	cost of building intrusive surveys	Industry	£ per building	policy - transition - one-off cost	£3,500					assumed to cost £3500 for an initial intrusive survey if required and £1000 for follow up visual/desk based survey after 5 years	PRP industry experience - tested with MHCLG/HSE	2
2_6	time to prepare safety case evidence base	Industry	Hrs per building	policy - transition - one-off cost	32					assumed average of 32 hours (£1,850) per building to collate evidence, identify gaps, commission and manage investigations to fill gaps - existing building only	PRP industry experience - tested with MHCLG/HSE	2
2_7	time to prepare safety case report for existing buildings	Industry	Hrs per building	policy - transition - one-off cost	63					assumed average of 63 hours (£4,260) per building to review risks and identify mitigations; prepare, review and sign off safety case report - existing buildings, new build and change of PAP	PRP industry experience - tested with MHCLG/HSE	2
2_8	change of PAP triggering new safety case		% of all buildings	policy - annual	3%					assumes safety case is reviewed on change of PAP. Only non-LA buildings assumed to change PAP (3% p.a.)	consultants judgement	3
2_9	time to update evidence based each year - hrs per building	Industry	Hrs per building	policy - annual cost	32					assume 32 hours (£2,080) per building per annum - for monthly updates of information in evidence base	PRP industry experience - tested with MHCLG/HSE	2
2_10	time to update safety case report after 5 years - per building	Industry	Hrs per building	policy - cost after 5 years	12					assume average of 12 hours (£780) per building to review evidence and write report every 5 years	PRP industry experience - tested with MHCLG/HSE	2

2_11	support from regulator to prepare first safety case - % of safety cases		% of safety cases in year 1	policy - transition - year 1	10%					assume the regulator supports 10% of PAPs to prepare the first safety case report for existing buildings- assumed to be in Year 1	consultants judgement	3
2_12	time for regulator to provide support - hrs per building	Regulator	Hrs per building	policy - transition - one-off cost	10.5					assume average of 10 hrs (£1,140) for BSA and FSA to provide guidance to PAPs preparing first safety case	consultants judgement	3

9. Annex C: Golden Thread

The requirement

9.1 The requirement to prepare a digital record for buildings in scope.

Buildings in scope

9.2 The requirement differs for category 1 and other multi dwelling buildings;

- For category 1 buildings, the golden thread requirement is for digital storage of: digital plans, safety case, fire risk assessment, resident's engagement strategy and all other relevant documents;
- For other buildings, the golden thread requirement is for digital storage of only the fire risk assessment, any complaints made to or about the PAP and any floorplans that are available.

Assumed activities

- Assume 90% of category 1 buildings need to procure a data storage system for the golden thread which includes an annual fee;
- All buildings will need to maintain the golden thread and QA the data within the golden thread;
- 50% of category 1 buildings will need to prepare up to date 2D building plans to include in the golden thread;
- 75% of category 1 buildings will need to add fire and structure details to building plans;
- 15% of category 1 buildings will update their building plans each year as a result of changes to the building;
- 1% of buildings will have a new PAP and the golden thread must be transferred between the existing PAP and the new PAP.

9.3 Table 9.1 sets out details of the common assumptions used to cost activities required to comply with the golden thread requirement.

Table 9.1: Common assumptions used to cost activities required to comply with the golden thread requirement												
ID	Assumption	Industry/ Regulator Costs	Type of metrics - hrs, £, %	Type of assumption - e.g. one-off transition cost/annual ongoing costs	Cat 1 (18m+) assumption	Cat 2 (11-18m) assumption	Cat 3 (large block of flats) assumption	Cat 3 (small block of flats) assumption	Cat 3 (converted house) assumption	Plain English description with key details	Methodology behind assumption / input	Quality Rating (RAG)
3_1	Buildings in scope				yes	yes	yes	yes	yes	All Cat 1, Cat 2 and Cat 3 buildings.	policy	1
3_2	activities required for golden thread									assume Cat 1 and Cat 2/3 buildings have different requirements. Cat 2/3 buildings require a digital storage system to store and retain key building information. Cat 1 buildings need a more complex storage system to hold more information (safety cases etc) and also need to input data into the storage system. Cat 1 buildings also need to have digital building plans included in the golden thread.	policy	1
3_3	Number of Cat 2 buildings that require a digital storage system		% of all buildings			100%	100%	100%	100%	assume all Cat 2/3 buildings will need to set up a digital storage system for building safety information	consultants judgement	3
3_4	Cat 2 - digital storage system (hrs) - one off cost to establish	Industry	hrs per building	one off transition cost		5	1	1	1	assume it takes an average of 1 hr per building (£90) to establish a digital storage system for Cat 2/3 buildings - this would include time for understanding how to set up a shared cloud based	consultants judgement	3

										folder for storing building safety information		
3_5	Cat 2 - digital storage system - annual cost	Industry	£ per building	annual		0	0	0	0	it is not assumed that there are any additional ongoing costs to maintain the golden thread - given low cost of cloud based storage	assume there is no additional ongoing cost - cloud storage systems or existing systems can be used for no additional	2
3_6	Cat 1 - digital storage system - counterfactual - % of buildings with existing digital storage system		% of all buildings		10%					assume 10% of buildings already have a digital storage system (for example, one that is currently used for asset management) that can be used for the golden thread - therefore 90% will need to invest in a new system	assumption that some larger PAPs will already have a system in place that does not need to be adapted	3
3_7	Cat 1 - digital storage system - costs per annum	Industry	£ per building	annual	£3,920					assume a cost per annum to maintain a digital storage system - based on industry costs of £70 per flat and 56 flats per building	based on PRP industry experience	2
3_8	Cat 1 - digital building plans - new plans - one off cost	Industry	£ per building	one off transition cost	£7,000					assume 50% of buildings will need to create new digital plans at a cost of £7000 per building	based on PRP industry experience - cost based on quotes provided to clients	2
3_9	Cat 1 - digital building plans - additional detail added - one off costs	Industry	£ per building	one off transition cost	£2,500					assume 75% of buildings will need to add fire safety and structural details to the plans at a cost of £2500 per building	based on PRP industry experience - cost based on quotes	2

											provided to clients	
3_10	Cat 1 - digital building plans - time to update plans (hrs) - annual cost	Industry	hrs per building	annual	3.5					assume 15% of building p.a. will need to update digital plans each year to reflect changes to the fire safety or structural details - taking 3.5hrs of architects time at a cost of £230 per building	based on PRP industry experience	2
3_11	Cat 1 - change of PAP - time to handover digital records - one off (hrs)	Industry	hrs per building	one off transition cost	8.5					assume 1% of buildings change PAP per annum and need to handover golden thread to new PAP (non-LA owned buildings only) - taking an average of 8.5hrs of time at a cost of £760 per building	consultants judgement	3
3_12	Cat 1 - annual maintenance of data within the digital record and QA of information (hrs) - annual cost	Industry	hrs per building	annual	21					assume all Cat 1 buildings maintain the golden thread - spending an average of 21 hrs per annum inputting data - consisting of (12.5hrs) QA and maintaining registration information (7.5hr) and oversight of the digital record (1hr) - average cost per building of £650 p.a.	based on PRP industry experience - compared with asset management activity under the counterfactual	3

10. Annex D: Building Registration Information

The requirement

10.1 The requirement is to submit building information and building management information as part of the registration process for buildings in scope.

Buildings in scope

10.2 Applies to multi-occupied buildings at least 18m (Option 2), and at least 11m (Option 3).

Assumed activities

- All Accountable Persons to input key dataset information into spreadsheet;
- Assume 10% of buildings undergo works that require key dataset to be updated.

10.3 Table 10.1 sets out details of the common assumptions used to cost activities required to comply with the Building Registration Information requirement.

Table 10.1: Common assumptions used to cost activities required to comply with the Registration Information requirement

ID	Assumption	Industry/ Regulator Costs	Type of metrics - hrs, £, %	Type of assumption - e.g. one-off transition cost/annual ongoing costs	Cat 1 (18m+) assumption	Cat 2 (11-18m) assumption	Cat 3 (large block of flats) assumption	Cat 3 (small block of flats) assumption	Cat 3 (converted house) assumption	Plain English description with key details	Methodology behind assumption / input	Quality Rating (RAG)
4_1	Buildings in scope				yes	yes	no	no	no	All Cat 1 and Cat 2 buildings.	Policy	1
4_2	activities required									input building registration information into spreadsheet/online form and update when details change. Cat 1 buildings have more information to	Policy	1

										input at registration stage than Cat 2.		
4_3	number of buildings required to complete information		% of all buildings	one off	100%	100%				proportion of buildings required to input registration information	Policy	1
4_4	input registration information - existing buildings	Industry	hrs per building	one off	2.75	10				assume all buildings input information in Year 1 - average of 2.75hrs for Cat 1 buildings (£250); 1.25hrs for Cat 2 purpose built flats (£110)	consultants judgement	3
4_5	input registration information - new build	Industry	hrs per building	one off	1.5	1.5				assume time to input building registration information for new build is less than existing buildings - average of 1.5 hrs for Cat 1 buildings (£130); 0.7hrs for large Cat 2 buildings (£60)	consultants judgement	3
4_6	update registration information		% of all buildings	annual	10%	10%				assume 10% buildings update information each year (e.g. following refurbishment)	consultants judgement - based on PRP industry experience	2
4_7	update registration information	Industry	hrs per building	annual	1.5	1.00				assume average of 1.5 hrs for Cat 1 buildings; 1hrs for Cat 2 buildings	consultants judgement	3

11. Annex E: Occurrence recording and reporting

The requirement

11.1 The requirement to record and report incidents where a building safety risk occurs in buildings in scope.

Buildings in scope

11.2 Only applies to category 1 buildings

Assumed activities

- Assume 25% of buildings have an incident that needs to be reported each year (either failure of safety critical components or structural decay);
- Assume a further 8% of buildings have an incident during a refurbishment works that needs to be reported (assuming 10% of buildings are refurbed per annum and 76% have an incident that needs to be reported);
- On average, it is assumed that it takes the AP 1.5hrs to report an incident and 0.5hrs for the BSA to log and analyse the report.

11.3 Table 11.1 sets out details of the common assumptions used to cost activities required to comply with the occurrence recording and reporting requirement:

Table 11.1: Common assumptions used to cost activities required to comply with the occurrence recording and reporting requirement

ID	Assumption	Industry/Regulator Costs	Type of metrics - hrs, £, %	Type of assumption - e.g. one-off transition cost/annual ongoing costs	Cat 1 (18m+) assumption	Cat 2 (11-18m) assumption	Cat 3 (large block of flats) assumption	Cat 3 (small block of flats) assumption	Cat 3 (converted house) assumption	Plain English description with key details	Methodology behind assumption / input	Quality Rating (RAG)
5_1	Buildings in scope				yes	no	no	no	no	Cat 1 buildings only	Policy	1
5_2	activities required									report on failure of building safety components or early	Policy	1

										decay of structure - PAP to record incident; BSA to review information		
5_3	frequency of reports		% of all buildings	annual	33%					assume 25% of Cat 1 buildings report an incident per annum related to fire and structural safety issues and a further 8% of buildings report an issues related to construction defects during refurbishment works per annum.	PRP industry experience of building defects	2
5_4	time to prepare and submit mandatory reports	Industry	hrs per report	annual	1.5					assume it takes an average of 1.5hrs for industry to prepare a report (£120) and	consultants estimates - Cat 1 estimates tested with MHCLG/HSE	3
5_5	Time to review mandatory reports	Regulator	hrs per report	annual	0.5					Assume it takes 0.5hr (£50) for the BSA to review and analyse report		3
5_6	Time to visit site	Regulator	Days per site visit	annual	2.5					Assume that 5% of cases require a site visit – assumes to take 2.5 days of time in total (1 day BSA, 1.5 days FSA)		3

12. Annex F: Duties on Residents

The requirement

12.1 The requirement is for residents to comply with duties under the building safety regime and introduces the provision for PAPs/APs to be able to issue contravention notices to residents if issues cannot be resolved informally.

Buildings in scope

12.2 Applies to all multi dwelling buildings

Assumed activities

- For category 1 buildings, it is assumed that there are 5 contravention notices per building per annum– based on typical incidents such as blocking escape routes or propping open fire doors;
- For other large buildings under 18m – flats and student accommodation - it is assumed that there are 2.5 contravention notices per annum;
- For other small buildings under 11m - flats and sheltered housing - it is assumed that 75% will issue a contravention notice per annum;
- For converted houses/flats, it is assumed that 15% issue a contravention notice each year;
- It is assumed that it takes an average of 1hr to prepare and issue a notice.

12.3 Table 12.1 sets out details of the common assumptions used to cost activities required to comply with the Residents' Responsibility requirements:

Table 12.1: Common assumptions used to cost activities required to comply with the Resident Responsibility requirements												
ID	Assumption	Industry/ Regulator Costs	Type of metrics - hrs, £, %	Type of assumption - e.g. one-off transition cost/annual ongoing costs	(18m+) assumption	(11-18m) assumption	(large block of flats) assumption	(small block of flats) assumption	(converted house) assumption	Plain English description with key details	Methodology behind assumption / input	Quality Rating (RAG)
6_1	Buildings in scope				yes	yes	yes	yes	yes	Cat 1, Cat 2 and Cat 3 buildings	Policy	1
6_2	activities required									PAPs given the ability to issue contravention notices to residents that fail to comply with informal requests to address building safety issues - common issues expected to be blocking escape routes and propping open fire doors	Policy	1
6_3	frequency of issuing contravention notices - number p.a.		number per building	annual	5	2.50	2.50	0.75	0.15	assume Cat 1 buildings will issue 5 notices p.a.; large cat 2 buildings will issue 2.5 notices p.a.; 75% of small blocks of flats will issue a notice p.a. and 15% of converted houses will issue a notice p.a.	PRP industry experience of working with RPs	2
6_4	time to prepare notice (hrs)	Industry	hrs per notice	annual	1.00	1.00	1.00	1.00	1.00	time to prepare the notice estimated at 1 hr (£75) per notice	consultants judgement	3
6_5	Frequency of issuing contravention order	Industry	As % of contravention notices	annual	12.50%	12.50%	12.50%	12.50%	12.50%	Assume that 1 in 8 contravention notices are followed by a contravention order	Consultants judgement in discussion with WG	3
6_6	time to prepare a	Industry	hrs per order	annual	1.25	1.25	1.25	1.25	1.25	time to prepare the contravention order estimated at 1.25 hr per order	Consultants judgement in	3

	contravention order										discussion with WG	

13. Annex G: Engaging Residents

The requirement

13.1 The requirement for buildings in scope to provide building safety information to residents and leaseholders.

Buildings in scope

13.2 Applies to a multi dwelling buildings.

Assumed activities

- All regulated buildings are required to prepare safety information for residents and respond to requests for information;
- All category 1 buildings are required to prepare a residents' engagement strategy and hold meetings to disseminate information;
- It is assumed that 10% of category 1 buildings hold additional meetings to cover safety information during refurbishment reach year;

13.3 Table 13.1 sets out details of the common assumptions used to cost activities required to comply with the Residents' Engagement requirements:

Table 13.1: Common assumptions used to cost activities required to comply with the Resident Engagement requirements

ID	Assumption	Industry/ Regulator Costs	Type of metrics - hrs, £, %	Type of assumption - e.g. one-off transition cost/annual ongoing costs	Cat 1 (18m+) assumption	Cat 2 (11-18m) assumption	Cat 3 (large block of flats) assumption	Cat 3 (small block of flats) assumption	Cat 3 (converted house) assumption	Plain English description with key details	Methodology behind assumption / input	Quality Rating (RAG)
7_1	Buildings in scope				yes	yes	yes	yes	yes	Cat 1, Cat 2 and Cat 3 buildings	Policy	1
7_2	activities required									Cat 1 only - prepare residents' engagement strategy; hold meetings to disseminate information; additional meetings during refurbishment work. Cat 1 and Cat 2/3 - prepare building	Policy	1

										safety information for residents and provide information on request.		
7_3	Prepare building safety information for residents - existing buildings - yr 1	Industry	£ per building	one off transition	£2,048	£735	£735	£223	£111	Cat 1 - assume average of 39hrs to prepare information for residents+£250 printing costs (£2,050); Cat 2/3 large block - 8hrs to prepare and disseminate information (£740); Cat 3 small blocks - 2.5hrs (£220); Cat 3 - converted houses - 1.25hrs (£110)	consultants estimates - Cat 1 estimates tested with MHCLG/HSE	3
7_4	Prepare building safety information for new residents	Industry	£ per building	annual	£180	£33	£33	£22	£11	Cat 1 - assume average of 2hrs p.a. to prepare updated information for residents+£100 printing costs to provide to new residents (£180) ; Cat 2/3 large block - 0.3hrs to disseminate information to new residents (£30); Cat 3 small blocks - 0.2hrs (£20); Cat 3 - converted houses - 0.1hrs (£10)	consultants estimates - Cat 1 estimates tested with MHCLG/HSE	3
7_5	respond to requests for information - cost per building per annum	Industry	£ per building	annual	£1,176	£178	£178	£45	£ 2	Cat 1 - assume average of 2hrs per month to respond to ad hoc requests for safety information - 24 hrs per annum (£1,180); Cat 2/3 large block - 2hrs per annum to respond to requests (£180); Cat 3 small blocks - 0.5hrs (£50); Cat 3 - converted houses - 10% of building have a request per annum @ 0.25hr per request (£10)	consultants estimates - Cat 1 estimates tested with MHCLG/HSE	3
7_6	Prepare a residents' engagement strategy - cost per building	Industry	£ per building	one off transition	£931					Cat 1 - 15hrs to prepare strategy + £250 to print strategy. Assume 25% of buildings already have a residents' engagement strategy (£930)	consultants estimates - tested with MHCLG/HSE	3
7_7	Hold meetings and disseminate information - cost per	Industry	£ per building	annual	£2,394					Cat 1 - 40hrs to arrange and hold events each year (£2,400). Assume 25% of buildings already have a residents' engagement strategy. For LA owned properties there is additional cost of	consultants estimates - tested with MHCLG/HSE	3

	building per annum									£560 to allow for two local authorities to attend events		
7_8	buildings undergoing refurbishment each year	Industry	% of all buildings	annual	10%					assume that 10% of buildings undergo refurbishment that requires engagement with residents	PRP industry experience	2
7_9	additional meetings during refurbishment - cost per building	Industry	£ per building	annual	£3,058					Cat 1 - 60hrs to arrange and hold events during refurbishment works. Assume 25% of buildings already have a residents' engagement strategy. (£3,060). For LA owned properties there is an additional cost of £1400 to allow two local authorities to attend events	consultants estimates - tested with MHCLG/HSE	3

14. Annex H: Providing systems to receive building safety complaints

The requirement

14.1 The requirement for buildings in scope to give due consideration to complaints about building safety.

Buildings in scope

14.2 All regulated building (cat 1, cat 2 and cat 3) are required to establish internal complaints procedures

Assumed activities

- The assumed number of additional complaints received by the AP is:
  - = 5 complaints per annum (cat 1)
  - = 3.6 complaints per annum (large block of flats)
  - = 2.7 complaints per annum (student accommodation)
  - = 0.8 complaint per annum (small block of flats and sheltered housing)
  - = 18% of converted houses/flats over shops receive a complaint per annum
- Regarding complaints escalated to the BSA, it is assumed that 15% of complaints are not resolved by the AP and are escalated to the BSA.
- The assumed number of additional complaints received directly by the BSA is:
  - = 1 complaint per annum in all cat 1 buildings
  - = 1 complaint in 70% of large blocks of flats per annum
  - = 1 complaint in 50% of student accommodations per annum
  - = 1 complaint in 20% of small blocks of flats and sheltered housing per annum

= 1 complaint in 2% of converted houses/flats over shops per annum

- It is assumed that in the first 3 years of the regime the number of complaints will be 25% above the level in the year 5 and it is assumed to fall to 50% below the year 5 level by year 10

14.3 Table 14.1 sets out details of the common assumptions used to cost activities required to comply with the Residents' Complaint requirements:

Table 14.1: Common assumptions used to cost activities required to comply with the Resident's Complaint requirements

ID	Assumption	Industry/ Regulator Costs	Type of metrics - hrs, £, %	Type of assumption - e.g. one-off transition cost/annual ongoing costs	Cat 1 (18m+) assumption	Cat 2 (11-18m) assumption	Cat 3 (large block of flats) assumption	Cat 3 (small block of flats) assumption	Cat 3 (converted house) assumption	Plain English description with key details	Methodology behind assumption / input	Quality Rating (RAG)
8_1	buildings in scope				yes	Yes	yes	yes	yes	Cat 1, Cat 2 and Cat 3 buildings	policy	1
8_2	activities required									establish a complains process and respond to complaints. Escalate to BSA i complaint is not resolved	policy	1
8_3	establish an internal residents complaints process (hrs)	Industry	hrs per building	one off transition	35	10	10	2	0.5	Cat 1 - 35hr of time to develop complaints process + £960 to establish a complaints system (total cost of £3,270) Cat 2/3 large - 10hrs (£660), Cat 3 small - 2hrs (£130), Cat 3 - converted house - 0.5hr (£30)	consultants estimates - Cat 1 estimates tested with MHCLG/HSE	3
8_4	estimated number of complaints p.a. per building	Industry	number per building	annual	5	4	4	1	0.2	Cat 1 - 5 incidents per building; Cat 2/3 large - 3.6 incidents per building, cat 3 small - 1.2 incidents, converted house - 1 incident every 5 years	consultants judgement - based on information provided by several RPs in England about types of complaints to their call centre - Cat 1	2

											estimates tested with HSE/MHCLG	
8_5	time to respond to incidents - hrs per incident (hrs)	Industry	hrs per incident	annual	3.33	1.25	1.25	1.25	1.25	time to receive information on complaint and categorise the complaint and assign it to case worker - Cat 1 - 3.3hr per incident (£250); Cat 2/3 - 1hr per incident (£70)	consultants estimates - Cat 1 estimates tested with MHCLG/HSE	3
8_6	respond to incidents - internal complaints process - hrs per incident	Industry	hrs per incident	annual	3.75	1	1	1	1	time to engage maintenance team, feedback on progress, escalate to AP, and log complaint	consultants estimates - Cat 1 estimates tested with MHCLG/HSE	3
8_7	proportion of complaints that get escalated to BSA - as % of all complaints	Regulator	% of incidents	annual	15%	15%	15%	15%	15%	complaints where the BSA needs to get involved	consultants estimates - Cat 1 estimates tested with MHCLG/HSE	3
8_8	complaints that get escalated to BSA - time for BSA to handle case (hrs)	Regulator	hrs per incident	annual	1.75	0.9	0.9	0.7	0.7	time for BSA to review complaint, investigate and assess the issue	consultants estimates - Cat 1 estimates tested with MHCLG/HSE	3
8_9	complaints made directly to BSA - number per building	Regulator	per building	annual	1.00	0.71	0.71	0.16	0.02	number of complaints made by residents directly to the BSA	consultants estimate	3

8_10	complaints made directly to BSA - average time to respond	Regulator	hrs per incident	annual	0.9	0.6	0.6	0.5	0.5	time for BSA to review complaint, investigate and assess the issue	consultants estimate	3

14.4 Table 14.2 below sets out the assumed profile of number of complaints relative to 'steady state' estimates presented in table 10.1 above – assuming number of complaints will be higher in early years of the new regime.

Table 14.2: Profile of number of complaints per annum										
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
Profile of Complaints over time	125%	125%	125%	110%	100%	75%	75%	50%	50%	50%

15. Annex I: Sanctions and Enforcement

The requirement

15.1 The requirement is for regulators to be granted the powers to ensure compliance with the requirements of the Bill.

Buildings in scope

15.2 Applies to category 1, category 2 and category 3 buildings.

Assumed activities

Number and level of incidents

- Incidents are categorised as minor, medium or major;
- It is assumed that:
  - 15% of category 1 buildings have a minor incident per annum;
  - 10% have a medium incident per annum;
  - 5% have a major incident per annum;
- For category 2 and category 3 buildings, it is assumed that the number of incidents is proportionate to the number of flats in the building compared with the equivalent category 1 building;
- For converted houses/flats over shops, it is assumed that only minor incidents will occur (none will be subject to a medium or major incident).

Issuing a notice

- It is assumed that:
  - 80% of major incidents attract an informal notice – assumed to be a letter requiring issue is addressed;
  - 70% of medium incidents attract an informal notice – assumed to be a letter requiring issue is addressed;

- = And 60% of minor incidents attract an informal notice – assumed to be a letter requiring issue is addressed;

Formal Notices

- For category 1 buildings, it is assumed that:
  - = 30% of buildings are issued with a compliance notice;
  - = 5% of buildings are issued with an urgent action notice;
  - = 10% of buildings are issued with an information notice;
  - = 10% of buildings are issued with a fixed penalty notice;
  - = 3% of buildings are subject to legal proceedings.
- For category 2 and category 3 buildings, it is assumed that
  - = 10% of medium/major incidents that receive an informal notice also get a formal notice – assumed to be a compliance/fixed penalty notice from the regulator with a threat of legal action;
  - = It is assumed that 10% of major and 2% of medium incidents that receive a formal notice then attract legal action – assumed to involve legal proceedings;
  - = It is then assumed that 10% of major incidents that commence legal proceedings result in prosecution;

15.3 Table 15.1 sets out details of the common assumptions used to cost activities required to comply with the Sanctions and Enforcement requirements.

Table 15.1: Common assumptions used to cost activities required to comply with the Sanctions and Enforcement requirements

ID	Assumption	Industry / Regulator Costs	Type of metrics - hrs, £, %	Type of assumption - e.g. one-off transition	Cat 1 (18m+) assumption	Cat 2 (11-18m) assumption	Cat 3 (large block of flats) assumption	Cat 3 (small block of flats) assumption	Cat 3 (converted house) assumption	Plain English description with key details	Methodology behind assumption / input	Quality Rating (RAG)

				cost/annual ongoing costs								
9_1	buildings in scope				yes	yes	yes	yes	yes		Policy	1
9_2	activities									estimates of the number and time required to investigate and enforce sanctions based on assumptions about different types of incidents (minor/medium/major) and the type of sanction (informal, formal, legal proceedings, prosecution)	Policy	1
9_3	number of major incidents per building per annum - % of building stock		% of all buildings	annual	5%	4%	2%	0%	-	estimate of the proportion of building with a major incident that needs to be investigated by the regulator - estimates assume number of incidents is proportional to the number of flats in a building for Cat 2 and that for Cat 3 the ratio is 50% of the Cat 2 rate	consultants estimates - Cat 1 estimates tested with MHCLG/HSE	3
9_4	number of medium incidents per building per annum - % of building stock		% of all buildings	annual	10%	7%	4%	1%	-	estimate of the proportion of building with a medium incident that needs to be investigated by the regulator	consultants estimates - Cat 1 estimates tested with MHCLG/HSE	3
9_5	number of minor incidents per building per annum - % of building stock		% of all buildings	annual	15%	11%	5%	1%	1%	estimate of the proportion of building with a minor incident that needs to be investigated by the regulator	consultants estimates - Cat 1 estimates tested with MHCLG/HSE	3
9_6	proportion of major incidents that result in informal notice		% of incidents	annual	80%	80%	80%	80%	80%	estimate of the proportion of incidents that are found to have an issue that can be rectified with an informal notice	consultants estimates - Cat 1 estimates tested with MHCLG/HSE	3
9_7	proportion of medium incidents that result in informal notice		% of incidents	annual	70%	70%	70%	70%	70%	estimate of the proportion of incidents that are found to have an issue that can be rectified with an informal notice	consultants estimates - Cat 1 estimates tested with MHCLG/HSE	3

9_8	proportion of minor incidents that result in informal notice		% of incidents	annual	60%	60%	60%	60%	60%	estimate of the proportion of incidents that are found to have an issue that can be rectified with an informal notice	consultants estimates - Cat 1 estimates tested with MHCLG/HSE	3
9_9	% of incidents that get escalated to formal notices as % of cases in year 4 onwards ('steady state')- year 1		% of incidents	annual		25%	25%	25%	25%	assume that in first 3 years of the policy, that regulators do not use formal sanctions in as many cases as in subsequent years - focus in initial years is assumed to be using informal sanctions to address issues	consultants estimate - based on discussion with WG policy team	2
9_10	% of incidents that get escalated to formal notices as % of cases in year 4 onwards (steady state) - year 2		% of incidents	annual		50%	50%	50%	50%	assume that in first 3 years of the policy, that regulators do not use formal sanctions in as many cases as in subsequent years - focus in initial years is assumed to be using informal sanctions to address issues	consultants estimate - based on discussion with WG policy team	2
9_11	% of incidents that get escalated to formal notices as % of cases in year 4 onwards (steady state) - year 3		% of incidents	annual		75%	75%	75%	75%	assume that in first 3 years of the policy, that regulators do not use formal sanctions in as many cases as in subsequent years - focus in initial years is assumed to be using informal sanctions to address issues	consultants estimate - based on discussion with WG policy team	2
9_12	proportion of major incidents that result in formal notice - yr 4 onwards		% of incidents	annual		8%	8%	8%	8%	estimate of the proportion of incidents that are found to have an issue that require a formal notice to be issued	consultants estimates - Cat 1 estimates tested with MHCLG/HSE	3
9_13	proportion of medium incidents that result in formal notice - yr 4 onwards		% of incidents	annual		7%	7%	7%	7%	estimate of the proportion of incidents that are found to have an issue that require a formal notice to be issued	consultants estimates - Cat 1 estimates tested with MHCLG/HSE	3
9_14	proportion of minor incidents that result in		% of incidents	annual		-	-	-	-	estimate of the proportion of incidents that are found to have an issue that require a formal notice to be issued	consultants estimates - Cat 1 estimates	3

	formal notice- yr 4 onwards										tested with MHCLG/HSE	
9_15	proportion of major incidents where the regulator starts legal proceedings - yr 4 onwards		% of incidents	annual		0.8%	0.8%	0.8%	0.8%	estimate of the proportion of incidents that are found to have an issue that require a legal proceedings to be started against the PAP	consultants estimates - Cat 1 estimates tested with MHCLG/HSE	3
9_16	proportion of medium incidents where the regulator starts legal proceedings - yr 4 onwards		% of incidents	annual		0.1%	0.1%	0.1%	0.1%	estimate of the proportion of incidents that are found to have an issue that require a legal proceedings to be started against the PAP	consultants estimates - Cat 1 estimates tested with MHCLG/HSE	3
9_17	proportion of minor incidents where the regulator starts legal proceedings - yr 4 onwards		% of incidents	annual		-	-	-	-	estimate of the proportion of incidents that are found to have an issue that require a legal proceedings to be started against the PAP	consultants estimates - Cat 1 estimates tested with MHCLG/HSE	3
9_18	proportion of major incidents that result in a prosecution - yr 4 onwards		% of incidents	annual		0.1%	0.1%	0.1%	0.1%	estimate of the proportion of incidents that are found to have an issue that is prosecuted through the courts	consultants estimates - Cat 1 estimates tested with MHCLG/HSE	3
9_19	proportion of medium incidents that result in a prosecution - yr 4 onwards		% of incidents	annual		-	-	-	-	estimate of the proportion of incidents that are found to have an issue that is prosecuted through the courts	consultants estimates - Cat 1 estimates tested with MHCLG/HSE	3
9_20	proportion of minor incidents that result in a prosecution - yr 4 onwards		% of incidents	annual		-	-	-	-	estimate of the proportion of incidents that are found to have an issue that is prosecuted through the courts	consultants estimates - Cat 1 estimates tested with MHCLG/HSE	3
9_21	time for initial investigation of a major incident -	Regulator	hrs per incident	annual	7.5	7.5	7.5	7.5	7.5	consultants estimate - most incidents will require a site visit	consultants estimate - Cat 1 estimates informed by	2

	regulator time (hr) per incident										information provided by MHCLG / HSE/FRS on other enforcement regimes	
9_22	time for initial investigation of a medium incident - regulator time (hr) per incident	Regulator	hrs per incident	annual	2	2	2	2	2	consultants estimate - some incidents will require a site visit	consultants estimate - Cat 1 estimates informed by information provided by MHCLG / HSE/FRS on other enforcement regimes	2
9_23	time for initial investigation of a minor incident - regulator time (hr) per incident	Regulator	hrs per incident	annual	0.5	0.5	0.5	0.5	0.5	consultants estimate - few incidents will require a site visit	consultants estimate - Cat 1 estimates informed by information provided by MHCLG / HSE/FRS on other enforcement regimes	2
9_24	time to issue an informal notice major incident - regulator time (hr) per incident	Regulator	hrs per incident	annual	3.75	3.75	3.75	3.75	3.75	time to complete a letter to send to PAP to request the issue is addressed	consultants estimate - Cat 1 estimates informed by information provided by MHCLG / HSE/FRS on other enforcement regimes	2

9_25	time to issue an informal notice medium incident - regulator time (hr) per incident	Regulator	hrs per incident	annual	3.75	3.75	3.75	3.75	3.75	time to complete a letter to send to PAP to request the issue is addressed	consultants estimate - Cat 1 estimates informed by information provided by MHCLG / HSE/FRS on other enforcement regimes	2
9_26	time to issue an informal notice minor incident - regulator time (hr) per incident	Regulator	hrs per incident	annual	1	1	1	1	1	time to complete a letter to send to PAP to request the issue is addressed	consultants estimate - Cat 1 estimates informed by information provided by MHCLG / HSE/FRS on other enforcement regimes	2
9_27	time to issue a formal notice major incident - regulator time (hr) per incident	Regulator	hrs per incident	annual	33.75	33.75	33.75	33.75	33.75	time based on HSE / FRS estimates of time to handle investigation and issuing of notice	consultants estimate - Cat 1 estimates informed by information provided by MHCLG / HSE/FRS on other enforcement regimes	2
9_28	time to issue a formal notice medium incident - regulator time (hr) per incident	Regulator	hrs per incident	annual	18.75	18.75	18.75	18.75	18.75	time based on HSE / FRS estimates of time to handle investigation and issuing of notice	consultants estimate - Cat 1 estimates informed by information provided by MHCLG /	2

											HSE/FRS on other enforcement regimes	
9_29	time to start legal proceedings major incident - regulator time (hr) per incident	Regulator	hrs per incident	annual	7.5	7.5	7.5	7.5	7.5	time based on HSE / FRS estimates of time to handle investigation and issuing of notice	consultants estimate - Cat 1 estimates informed by information provided by MHCLG / HSE/FRS on other enforcement regimes	2
9_30	time to issue a formal notice medium incident - regulator time (hr) per incident	Regulator	hrs per incident	annual	7.5	7.5	7.5	7.5	7.5	time based on HSE / FRS estimates of time to handle investigation and issuing of notice	consultants estimate - Cat 1 estimates informed by information provided by MHCLG / HSE/FRS on other enforcement regimes	2
9_31	time to investigate a major incident and prosecute - regulator time (hr) per incident	Regulator	hrs per incident	annual	97.5	97.5	97.5	97.5	97.5	time based on HSE / FRS estimates of time to handle investigation and issuing of notice	consultants estimate - Cat 1 estimates informed by information provided by MHCLG / HSE/FRS on other enforcement regimes	2
9_32	time for initial investigation of a major incident -	Industry	hrs per	annual	5	5	5	5	5	assume some time required to engage with regulator	consultants estimates - Cat 1 estimates	3

	PAP time (hr) per incident		incident								tested with MHCLG/HSE	
9_33	time for initial investigation of a medium incident - PAP time (hr) per incident	Industry	hrs per incident	annual	1	1	1	1	1	assume some time required to engage with regulator	consultants estimates - Cat 1 estimates tested with MHCLG/HSE	3
9_34	time for initial investigation of a minor incident - PAP time (hr) per incident	Industry	hrs per incident	annual	0	0	0	0	0	assume PAP is not involved in the investigation of minor incidents	consultants estimates - Cat 1 estimates tested with MHCLG/HSE	3
9_35	time to issue an informal notice major incident - PAP time (hr) per incident	Industry	hrs per incident	annual	8	8	8	8	8	estimate of time to review notice and respond	consultants estimates - Cat 1 estimates tested with MHCLG/HSE	3
9_36	time to issue an informal notice medium incident - PAP time (hr) per incident	Industry	hrs per incident	annual	4	4	4	4	4	estimate of time to review notice and respond	consultants estimates - Cat 1 estimates tested with MHCLG/HSE	3
9_37	time to issue an informal notice minor incident - PAP time (hr) per incident	Industry	hrs per incident	annual	2	2	2	2	2	estimate of time to review notice and respond	consultants estimates - Cat 1 estimates tested with MHCLG/HSE	3
9_38	time to issue a formal notice major incident - PAP time (hr) per incident	Industry	hrs per incident	annual		14	14	14	14	estimate of time to review notice and get legal advice	consultants estimates - Cat 1 estimates tested with MHCLG/HSE	3
9_39	time to issue a formal notice medium incident - PAP time (hr) per incident	Industry	hrs per incident	annual		7	7	7	7	estimate of time to review notice and get legal advice	consultants estimates - Cat 1 estimates tested with MHCLG/HSE	3

9_40	time to start legal proceedings major incident - PAP time (hr) per incident	Industry	hrs per incident	annual		13	13	13	13	estimate of time to review notice and get legal advice	consultants estimates - Cat 1 estimates tested with MHCLG/HSE	3
9_41	time to issue a formal notice medium incident - PAP time (hr) per incident	Industry	hrs per incident	annual		1	1	1	1	estimate of time to review notice	consultants estimates - Cat 1 estimates tested with MHCLG/HSE	3
9_42	time to investigate a major incident and prosecute - PAP time (hr) per incident	Industry	hrs per incident	annual	305	305	305	305	305	assumption based on PRP experience of expert inquiry work for building owners	consultants estimates - Cat 1 estimates tested with MHCLG/HSE	3
9_43	% of Cat 1 buildings issued with a compliance notice		% of buildings	annual	30%					Estimate of the % of Cat 1 building being issued with a compliance notice each year	WG Assumptions	
9_44	% of Cat 1 buildings issued with an urgent action notice		% of buildings	annual	5%					Estimate of the % of Cat 1 building being issued with an urgent action notice each year	WG Assumptions	
9_45	% of Cat 1 buildings issued with an information notice		% of buildings	annual	10%					Estimate of the % of Cat 1 building being issued with an information notice each year	WG Assumptions	
9_46	% of Cat 1 buildings issued with a fixed penalty notice		% of buildings	annual	10%					Estimate of the % of Cat 1 building being issued with a fixed penalty notice each year	WG Assumptions	
9_47	% of Cat 1 buildings – offence triable either way		% of buildings	annual	2.93%					Estimate of the % of Cat 1 building that have an offence triable either way	WG Assumptions	

9_48	% of Cat 1 buildings – offence triable either way – legal support	Regulator	% of buildings	annual	1.46%					Assumption that 50% of offences triable either way will require legal support	WG Assumptions	
9_49	Cost of Cat 1 buildings issued with a compliance notice	Regulator	Cost per incident	annual	£267					Cost estimated based assuming 3-8 hrs of time required per incident	WG Assumptions	
9_50	Cost of Cat 1 buildings issued with an urgent action notice	Regulator	Cost per incident	annual	£267					Cost estimated based assuming 3-8 hrs of time required per incident	WG Assumptions	
9_51	Cost of Cat 1 buildings issued with an information notice	Regulator	Cost per incident	annual	£105					Cost estimated based assuming 1-5 hrs of time required per incident	WG Assumptions	
9_52	Cost of Cat 1 buildings issued with a fixed penalty notice	Regulator	Cost per incident	annual	£142					Cost estimated based assuming 2-3 hrs of time required per incident	WG Assumptions	
9_53	Cost of Cat 1 buildings – offence triable either way	Regulator	Cost per incident	annual	£2,854					Cost estimated based assuming 30-50 hrs of time required per incident	WG Assumptions	
9_54	Cost of Cat 1 buildings – offence triable either way – legal support	Regulator	Cost per incident	annual	£23,737					Cost estimated based assuming £18k to £30k of cost per incident	WG Assumptions	

16. Annex J: Building Registration

The requirement

16.1 The requirement is for buildings in scope to submit building registration information.

Buildings in scope

16.2 Applies to both category 1 and category 2 buildings.

Assumed activities

- It is assumed that BSAs spend an average of £10,000 each in Year 1 to establish a database for storing building registration information and spend 0.5 days per month maintaining the database;
- BSAs then request registration information from all PAPs phased over 5 years;
- All APs spend time assembling and submitting the registration information in Years 1-5;
- BSAs then review the registration information for all buildings and inform the AP that the building is registered;
- All APs submit re-reregistration information after 5 years (in Year 6).

16.3 Table 16.1 sets out details of the common assumptions used to cost activities required to comply with the Building Registration requirements:

Table 16.1: Common assumptions used to cost activities required to comply with the Building Registration requirements												
ID	Assumption	Industry / Regulator Costs	Type of metrics - hrs, £, %	Type of assumption - e.g. one-off transition cost/annual ongoing costs	Cat 1 (18m+) assumption	Cat 2 (11-18m) assumption	Cat 3 (large block of flats) assumption	Cat 3 (small block of flats) assumption	Cat 3 (converted house) assumption	Plain English description with key details	Methodology behind assumption / input	Quality Rating (RAG)
10_1	Buildings in scope				yes	yes	no	no	no	Cat 1 and 2	Policy	1
10_2	Activities									PAPs to submit registration form and BSA to review the information and check for completeness	Policy	1
10_3	proportion of buildings registering per annum - % of stock p.a.		% of all buildings	Transition	100%	20%				assume that all Cat 1 buildings are registered in Year 1 and Cat 2 buildings are registered over a 5 year period	consultants judgement	3
10_4	re-registration timing and costs									assume all buildings are required to re-register after 5 years - costs to PAP and BSA are assumed to be the same as initial registration	consultants judgement	3
10_5	time for PAP to submit registration information (hrs per building)	Industry	hrs per building	one off	0.25	0.25				note - this is just assumed to be the cost of submitting the information, inputting the data about buildings is costed separately	consultants judgement	3
10_6	time for BSA to receive and review information (hrs per building)	Regulator	hrs per building	one off	8	3				time includes logging registration and reviewing information	consultants judgement	3

10_7	Cat 1 only - time for BSA to contact PAPs that have not submitted information	Regulator	hrs per building	one off	0.08	0.08				assume 10% of Cat 1 PAPs will need the BSA to contact them to ensure the information is submitted	consultants judgement	3

17. Annex K: Building Certificate

The requirement

17.1 The requirement for buildings in scope to apply for a building certificate and for BSAs to provide a certificate when they are satisfied that the information submitted confirms that the PAP/AP are complying with their duties under the regime.

Buildings in scope

17.2 Only Cat 1 buildings are required to apply for a Building Certificate.

Assumed activities

- It is assumed that 20% of building per annum are requested to submit information for a Building Certificate
- PAPs submit safety case report, RES, details of the complaints system and MOR
- BSA reviews the information submitted by the PAP
- BSA coordinates with FSA regarding higher risk/complex Cat 1 buildings and inspects as part of Building Certificate.
- BSA issues a Building Certificate, which must be displayed in the building

17.3 Table 17.1 sets out details of the common assumptions used to cost activities required to comply with the Building Certificate requirement.

Table 17.1: Common assumptions used to cost activities required to comply with the Building Certificate requirements												
ID	Assumption	Industry / Regulator Costs	Type of metrics - hrs, £, %	Type of assumption - e.g. one-off transition cost/annual ongoing costs	Cat 1 (18m+) assumption	Cat 2 (11-18m) assumption	Cat 3 (large block of flats) assumption	Cat 3 (small block of flats) assumption	Cat 3 (converted house) assumption	Plain English description with key details	Methodology behind assumption / input	Quality Rating (RAG)
11_1	Buildings in scope				yes	no	no	no	no	Cat 1 only	policy	1
11_2	Activities									BSA to review safety case including complaints system, residents' engagement strategy and occurrence recording and reporting. Assume the review will also involve building inspections	policy	1
11_3	phasing - % of buildings reviewed per annum		% of all buildings	transition	20%					assume the reviews are undertaken over a 5 year period - 20% per annum	consultants judgement	3
11_4	proportion of buildings that are low activity buildings to review		% of all buildings	transition	40%					estimate of proportion of buildings that are low risk that should be more straightforward to review	WG estimate	2
11_5	proportion of buildings that are mid activity/medium complex buildings to review		% of all buildings	transition	40%					estimate of proportion of buildings that are mid risk and should take an average time to review	WG estimate	2

11_6	proportion of buildings that are high activity/complex buildings to review		% of all buildings	transition	15%					estimate of proportion of buildings that are high risk and have some complex issues that will take longer to review	WG estimate	2
11_6a	proportion of buildings that are very high activity/very complex buildings to review		% of all buildings	transition	5%					estimate of proportion of buildings that are high risk and have very complex issues that will take longer to review	WG estimate	2
11_7	time for PAP to submit documents for BC (hrs)	Industry	hrs per building	one-off cost	2					time for PAP to check and submit document for Building Certificate (cost of preparing documents included under specific heading - safety cases, residents engagement, MOR)	industry experience of preparing documents to submit for building control approval	2
11_8	time for BSA to review safety case - low activity (hrs per building)	Regulator	hrs per building	one-off cost	18					based on estimated time required for administrator, technical officer and structural engineer	WG estimates	2
11_9	time for BSA to review safety case – medium activity (hrs per building)	Regulator	hrs per building	one-off cost	37					based on estimated time required for administrator, technical officer and structural engineer	WG estimates	2

11_10	time for BSA to review safety case - high activity (hrs per building)	Regulator	hrs per building	one-off cost	56					based on estimated time required for administrator, technical officer and structural engineer	WG estimates	2
11_10a	time for BSA to review safety case – very high activity (hrs per building)	Regulator	hrs per building	one-off cost	93					based on estimated time required for administrator, technical officer and structural engineer	WG estimates	
11_11	administrative time to log application and issue certificate (hrs per building)	Regulator	hrs per building	one-off cost	5					time to complete certificate and issue - all buildings	consultants judgement	3
11_12	time for PAP to accompany inspections - mid activity (hrs per building)	Industry	hrs per building	one-off cost	2					assume short site visit require with PAP in attendance	consultants judgement	3
11_13	time for PAP to accompany inspections - high and very high activity (hrs	Industry	hrs per building	one-off cost	6					assume long site visit require with PAP in attendance	consultants judgement	3

	per building)											
11_14	cost to display BC certificate (£ per building)	Industry	£ per building	one-off cost	£30					estimated on-off cost to install a sign to display certificate	consultants judgement	3

18. Annex L: Tribunals

The requirement

18.1 The requirement is to establish a tribunal panel to enable PAPs and APs to appeal against decision made by the regulator.

Buildings in scope

18.2 Assumptions are not building specific but based on estimate number of tribunal cases per annum

Assumed activities

- Costs include training and recruitment of panel members;
- Administration costs for the coordinating the panel;
- Costs of Tribunal cases – including appeals against fixed penalty notices and other sanctions'

18.3 Table 18.1 sets out details of the common assumptions used to cost activities required to comply with the Tribunals requirement.

Table 18.1: Common assumptions used to cost activities required to comply with the Tribunals requirement

ID	Assumption	Industry / Regulator Costs	Type of metrics - hrs, £, %	Type of assumption - e.g. one-off transition cost/annual ongoing costs	Assumptions	Plain English description with key details	Methodology behind assumption / input	Quality Rating (RAG)
12_1	buildings in scope					Assumptions are not building specific	policy	1
12_2	activities					training and recruitment of tribunal panel, administration of panel, tribunal cases	policy	1

12_3	training and recruitment costs (£)	Regulator	£ per annum	one-off cost	£ 40,500	costs of training and recruitment provided by WG - not related to building types	information provided by WG	2
12_4	administration costs	Regulator	£ per annum	annual ongoing	£ 44,633	based on 1 FTE Executive Officer salary	information provided by WG	2
12_5	number of tribunal cases - excluding fixed penalty notices		numbe r of cases	annual ongoing	17.5		information provided by WG	2
12_6	number of tribunal cases - including fixed penalty notices		numbe r of cases	annual ongoing	2000		information provided by WG	2
12_7	cost to regulator per case	Regulator	£ per buildin g	annual ongoing	£ 2,373	daily fee for 1 legal member, 1 professional member and 1 lay member, with travel and subsistence costs and venue hire for the hearing.	information provided by WG	2
12_8	PAP time to prepare evidence for appeal to tribunal (time per case)	Industry	hrs per case	annual ongoing	12	estimates by PRP to prepare evidence and submit appeal	consultants judgement	3
12_9	PAP - legal time to support appeal (non FPN only) - time per case	Industry	hrs per case	annual ongoing	7	estimates by PRP for legal support and time to review appeal - assume not required for fixed penalty notices	consultants judgement	3

19. Annex M: Other Costs

The requirement

19.1 The requirement for Welsh Government to provide guidance to residents, PAPs/APs and BSA / FSA.

Buildings in scope

19.2 Assumptions are not building specific but based on estimate number of BSA / FSA

19.3 To prepare guidance for the new regime, Option 2 is assumed to cost 60% of Option 3

Assumed activities

- Welsh Government to prepare handbook for residents;
- Welsh Government to prepare guidance for handling complaints;
- Welsh Government to prepare guidance for building registrations;
- BSA to develop and maintain an IT system for receiving and storing building registration and building certificate information (for Option 2 a database is only required for Building Safety Authorities that have an 18m+ building in their area, all Building Safety Authorities will require a database for Option 3).

19.4 Table 19.1 sets out details of the common assumptions used to cost activities required to meet the other regulatory requirements:

Table 19.1: Common assumptions used to cost activities required to meet the other regulator requirements								
ID	Assumption	Industry / Regulator Costs	Type of metrics - hrs, £, %	Type of assumption - e.g. one-off transition cost/annual ongoing costs	Assumptions below are not building specific	Plain English description with key details	Methodology behind assumption / input	Quality Rating (RAG)
14_1	WG to prepare guidance across the new Building Safety Regime	Welsh Government		one-off	£485,203	Estimate of time required to prepare guidance and translate the documents.	WG assumption	
14_2	WG to prepare an annual report	Welsh Government		annual	£4,015		WG assumption	
14_3	BSA to develop or purchase IT system to receive and store building safety documents and registration information	Regulator	cost per regulator	one-off	£20,000	assume £20,000 to establish a database for storing registration information based on products available on market	consultants estimate based on cost of simple database and data provided by RentSmart Wales	2
14_4	BSA time to maintain registration database - each BSA	Regulator	days	annual ongoing	6	assume 0.5 days per month to maintain the register	consultants estimate	3
14_5	Annual cost to maintain IT system to receive and store building safety documents and registration information	Regulator	cost per BSA	annual ongoing	£10,000	assume annual cost of £10000 to maintain the database	consultants estimate based on cost of simple database and data provided by RentSmart Wales	2
14_6	Criminal legal aid and courts	Welsh Government	cost	Annual ongoing	£11,632	Estimated cost	Welsh Government estimate	
14_7	Project Management	BSA	FTE	Implementation costs	3	Assume 3 FTE for 6 months to manage implementation of the new regime	Welsh Government estimate	
14_8	Cat 1 Registrations, key building information, fee	BSA	FTE	Implementation costs	9	Assume staff recruited 3 months in advance to prepare	Welsh Government estimate	

	collection, residents complaints							
14_9	Cat 1 Registrations	BSA	cost	Implementation costs	£7000	Assumed training costs	Welsh Government estimate	
14_10	Cat 1 Registrations	BSA	cost	Implementation costs	£50000	Assumed communication strategy	Welsh Government estimate	
14_11	Key building information	BSA	FTE	Implementation costs	1.5	Assume expert advice required for 3 months in advance to prepare	Welsh Government estimate	
14_12	Key building information	BSA	cost	Implementation costs	£7000	Assumed training costs	Welsh Government estimate	
14_13	Determinations and reviewable decisions	BSA	FTE	Implementation costs	3	Assume staff recruited 1 months in advance to prepare	Welsh Government estimate	
14_14	Preparing guidance	BSA	Hrs	Implementation costs	30hrs	Assumed input per local authority	Welsh Government estimate	
14_15	Cat 2 training requirement	BSA	Cost	Implementation costs	£200k	Total estimated cost of preparing for Cat 2 building requirements	Welsh Government estimate	

20. Annex N: Aggregating the Cost per Building

20.1 The costs are aggregated to the level of local authorities and then to the national level using the estimated number of buildings that best match the reference buildings that the costs have been assessed for.

Number of buildings

20.2 Table 20.1 shows the estimated number of buildings in scope in 2024, broken down by reference building type.

Table 20.1: Estimated number of buildings in scope in 2024, broken down by reference building type.

Reference buildings	Estimated number buildings (2024)
Residential building at least 18m	180
Residential buildings 11-18m	449
Other Purpose Built Flats - large	62
Other Purpose Built Flats - small	6,094
Converted Houses / Flats over Shops	44,657
Sheltered accommodation	375
Purpose Built Student Accommodation	17

20.3 Table 21.2 shows the projected building numbers in scope, from 2027 to 2036 (the appraisal period), broken down by reference building type.

Table 21.2 Projected building numbers in scope, from 2027 to 2036, broken down by reference building type

	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Residential building - 18m+ (category 1 buildings)										
Building Numbers - Existing	180	-	-	-	-	-	-	-	-	-
Building Numbers - New Completions	4	4	4	4	4	4	4	4	4	4
Building Numbers - Cumulative Occupied Buildings	180	184	188	192	196	200	204	208	212	216
Purpose built large flats (11-18m)										
Building Numbers - Existing	449									
Building Numbers - New Completions	9	9	9	9	9	9	9	9	9	9
Building Numbers - Cumulative Occupied Buildings	449	458	467	476	485	494	503	512	521	530
Purpose built large flats (<11m)										
Building Numbers - Existing	62									
Building Numbers - New Completions	3	3	3	3	3	3	3	3	3	3
Building Numbers - Cumulative Occupied Buildings	62	65	68	71	74	77	80	83	86	89
Purpose built small flats										
Building Numbers - Existing	6,094									
Building Numbers - New Completions	43	43	43	43	43	43	43	43	43	43
Building Numbers - Cumulative Occupied Buildings	6,094	6,137	6,180	6,223	6,266	6,309	6,352	6,395	6,438	6,481
Converted houses/flats over shops										
Building Numbers - Existing	44,657									
Building Numbers - New Completions	50	50	50	50	50	50	50	50	50	50
Building Numbers - Cumulative Occupied Buildings	44,657	44,707	44,757	44,807	44,857	44,907	44,957	45,007	45,057	45,107
Sheltered accommodation										

Building Numbers - Existing	375									
Building Numbers - New Completions	11	11	11	11	11	11	11	11	11	11
Building Numbers - Cumulative Occupied Buildings	375	386	398	409	420	431	443	454	465	476
Student accommodation										
Building Numbers - Existing	17									
Building Numbers - New Completions	1	1	1	1	1	1	1	1	1	1
Building Numbers - Cumulative Occupied Buildings	17	18	18	19	20	20	21	22	22	23

21. Annex O: Options appraisal process - full list of policy options considered

- **Other options considered include**
  - = Previous main option - category 1 duties for 18m+; category 2 duties for all other multi occupied buildings under 18m and Fire Safety Provision for HMO
  - = Current Option 2: All multi-occupied residential buildings at least 18m subject to category 1 duties. Multi-occupied residential buildings below 18m (and HMO) subject to fire safety provisions only;
  - = Current Option 3: All multi-occupied residential buildings at least 18m subject to category 1 duties; multi-occupied residential buildings between 11-18m subject to category 2 duties; multi-occupied residential building below 11m subject to category 3 duties; relevant HMO subject to the fire safety provisions only.
- **Option A – All multi-occupied residential buildings at least 11m (or 5 or more storeys) with at least 2 residential units (retaining category 1 and category 2 duties split at 18m). (multi-occupied residential building below 11m subject to fire safety provisions only)**
  - = Remove buildings below 11m from wider category 2 duties (but making them subject to the fire safety duties in the FSO in line with fire safety policy requirement). Buildings below 11m would have fire safety duties undertaken by RPs and would not have APs and PAPs. Current best estimate is 350-500 buildings of 11-18m in Wales. (310 buildings are currently within the WBSF programme. However, it is recognised some buildings are not in the programme, so the figure is likely to be higher). This approach would significantly reduce the number of buildings in scope of the wider category 2 building safety duties from an estimated 60,000. category 1 duties will continue to apply to 180 buildings of 18m or more.
- **Option B – All multi-occupied residential buildings at least 11m (or 5 or more storeys) with at least 2 residential units subject to all category 1 duties in wider Building Safety regime (multi-occupied residential building below 11m subject to fire safety provisions only)**
  - = Remove buildings below 11m from scope of the regime (but making them subject to the fire safety duties in the FSO in line with fire safety policy requirement) as in option 1. Buildings above 11m would be subject to all category 1 duties. There are an

estimated 350-500 buildings between 11 and 18 metres in Wales. This would significantly reduce the number of buildings in scope of the wider building safety regime from 60,000 to estimated 530-680 buildings, but all would be subject to category 1 duties.

- **Option C – All multi-occupied residential buildings at least 18m (or 7 or more storeys) with at least 2 residential units (category 1 buildings)**. (multi-occupied residential building below 18m subject to fire safety provisions only)

  = Remove buildings below 18m from scope of the regime (but making them subject to the fire safety duties in the FSO in line with fire safety policy requirement). There are 180 buildings at least 18 metres in Wales. This would significantly reduce the number of buildings in scope of the wider building safety regime from 60,000 to estimated 180 buildings all of which would be subject to category 1 duties.

- **Option D – All multi-occupied residential buildings with two or more residential units where there is a shared entrance (building with flats that do not have a shared entrance subject to fire safety provisions only)**

  = Removing flats without shared entrances from the wider regime provisions (but making them subject to the fire safety duties in the FSO in line with fire safety policy requirement). Current estimates suggest there are approx. 52,000 converted houses and small buildings containing only two flats. Some of these flats will have their own independent entrances, and therefore residents will not share access with another resident. We do not currently have data on how many of these buildings there are. But as an example, if a quarter of these buildings did not share an entrance, this approach could remove 13,000 buildings from the wider regime duties. Based on that estimate, it would reduce the number of buildings in the regime to approx 47,000 and go some way to reducing the identified costs and impacts on the regulator and industry. As an alternative we could also test if they formed half of the total to see how the costs might change if 26,000 buildings were removed from the wider duties leaving 34,000 category 2 buildings in the regime. Category 1 duties will continue to apply to 180 buildings of 18m or more

- **Option E – remove small Cat 2 buildings (converted houses with 2 flats)**

  = Remove houses converted into 2 flats from the wider regime provisions (but making them subject to the fire safety duties in the FSO in line with fire safety policy requirement). Current estimates suggest there are approx. 52,000 converted houses and small buildings containing only two flats. This would reduce the number of buildings in category 2 to approximately 8,000. Category 1 duties will continue to apply to 180 buildings of 18m or more