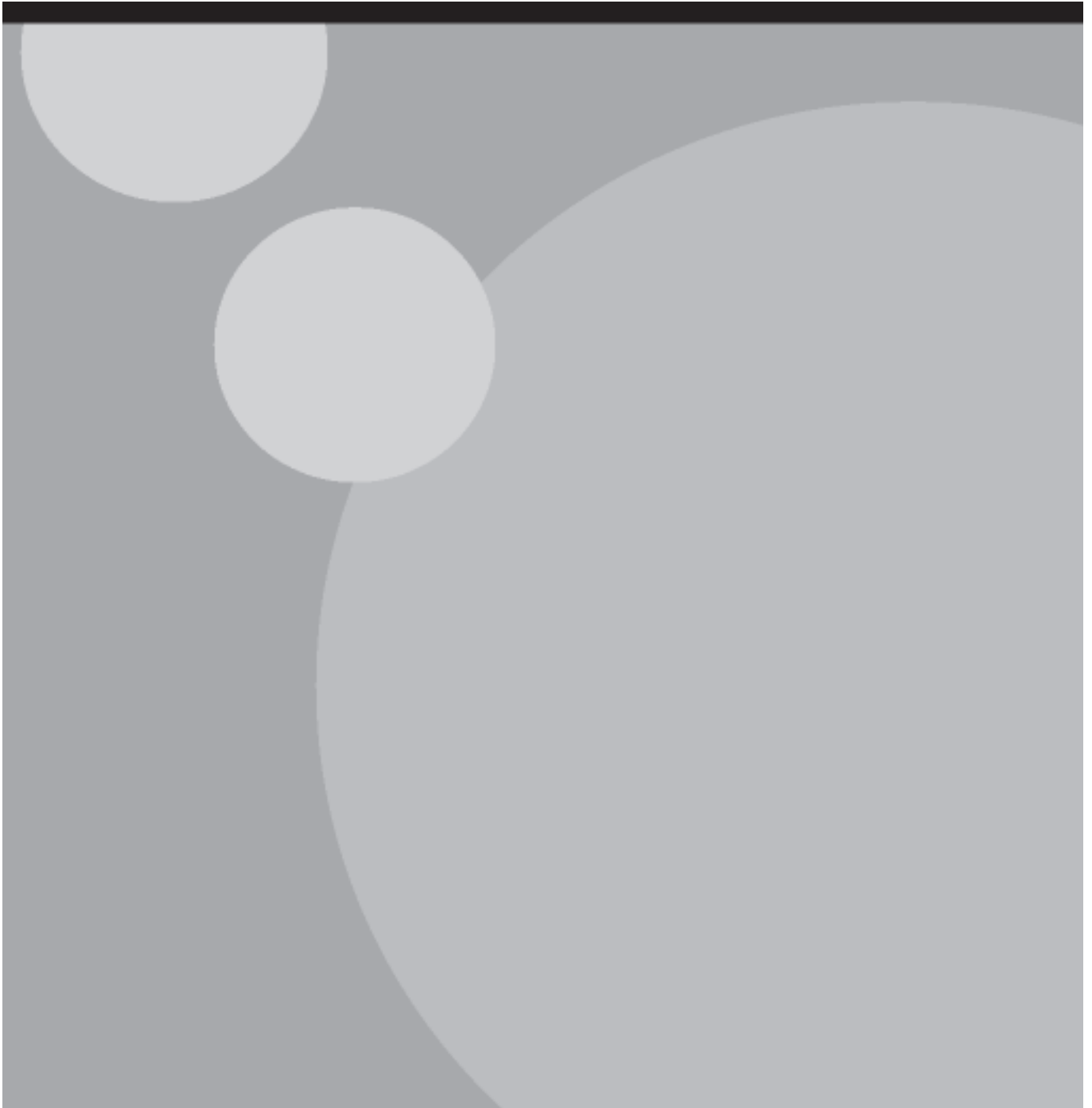




# New and Extended Competent Person Schemes

## IMPACT ASSESSMENT



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<p><b>Title:</b>  <b>New and Extended Competent Person Schemes</b></p> <p><b>Lead department or agency:</b>  Department for Communities and Local Government (CLG)</p> <p><b>Other departments or agencies:</b></p>	<p><b>IA No: 0016</b></p> <p><b>Date:</b> September 2010</p> <p><b>Stage:</b> Final</p> <p><b>Source of intervention:</b> Domestic</p> <p><b>Type of measure:</b> Secondary legislation</p> <p><b>Contact for enquiries:</b>  Ian Drummond (0303 444 1791) or Kevin Flanagan (0303 444 1809)</p>
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## Summary: Intervention and Options

<p><b>What is the problem under consideration? Why is government intervention necessary?</b></p> <p>The significant amount and types of building work subject to the Building Regulations cannot be practicably accommodated within the traditional building control framework. Competent person schemes (CPS) are a mechanism to allow installers who have been assessed as competent to self-certify that their work complies with the regulations. This removes the burden for installers and consumers having to notify the work to a building control body (BCB) in advance and pay a fee for the BCB to check the work. CPS therefore provide an alternative and cost effective means of ensuring compliance with the Building Regulations. CLG proposes to expand the range of CPS into new areas of work where the risk justifies this approach and to authorise additional schemes in existing areas.</p>	
<p><b>What are the policy objectives and the intended effects?</b></p> <p>The primary objective is to improve the cost effectiveness and efficiency of ensuring compliance with the requirements of the Building Regulations, through extending the number and scope of CPS. This will remove the burden for notification and payment to BCBs for them to check the work and frees up their resources. Furthermore, the fact that installers in CPS need to demonstrate their competence and be subject to ongoing monitoring means that the installations should achieve a higher level of compliance with the Building Regulations. The new and extended CPS will also particularly support the recent changes to energy efficiency aspects of the Building Regulations and the Microgeneration Certification Scheme administered by the Department for Energy and Climate Change and the Renewables Directive (2009/28/EC).</p>	
<p><b>What policy options have been considered? Please justify preferred option (further details in Evidence Base)</b></p> <p>(1) To do nothing and approve no new or extended CPS.</p> <p>(2) To authorise a range of new and extended CPS to meet the above policy objectives.</p>	
<p><b>When will the policy be reviewed to establish its impact and the extent to which the policy objectives have been achieved?</b></p>	<p>It will be reviewed on a periodic basis.</p>
<p><b>Are there arrangements in place that will allow a systematic collection of monitoring information for future policy review?</b></p>	<p>Yes</p>

**SELECT SIGNATORY Sign-off** For Final Stage Impact Assessments:

*I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.*

*Andrew Stunell*

**Signed by the responsible Minister:**

**Date: 6 September 2010**

# Summary: Analysis and Evidence

# Policy Option 2

## Description:

Policy Option 2 - To authorise a range of new and extended competent person schemes (CPS) (details at Annex 2)

Price Base Year 2010	PVBase Year 2010	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: £148m	High: £391m	Best Estimate: £264m

COSTS (£m)	Total Transition (Constant Price) Year	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	N/A	£1.5m	£13m
High	N/A	£2.3m	£19m
Best Estimate	N/A	£1.9m	£16m

### Description and scale of key monetised costs by 'main affected groups'

Average cost to installers of annual registration with a CPS estimated to be approximately £375 (high: £450, low: £300) per member. Assumes 5,100 members to give £1.9m per annum over 10 years.

### Other key non-monetised costs by 'main affected groups'

There may be some training costs for installers to become sufficiently competent to become CPS members, mostly one-off although some on-going training may be needed. It is very unclear how much training might be required but the costs should be minimal. There is a cost to CPS members in time and money to notify a job to the local authority and provide a certificate of compliance to the customer, but this is offset by the time and cost saved from not having to complete and submit a building notice.

BENEFITS (£m)	Total Transition (Constant Price) Year	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	N/A	£19m	£161m
High	N/A	£49m	£410m
Best Estimate	N/A	£34m	£280m

### Description and scale of key monetised benefits by 'main affected groups'

Savings arise due to the fact that CPS members do not have to pay a building control charge. Estimated annual savings for new and extended schemes for: roof replacements (£10.8m); mechanical ventilation (£7.5m); micro-generation (£2.5m); cavity wall insulation (£0.01m); plumbing (£6.0m); heating and hot water (£3.0m); electrical installations (£2.7m); replacement of windows/doors (£1.1m). For assumptions see evidence base. Net benefit to business £32m per annum.

### Other key non-monetised benefits by 'main affected groups'

Freeing up of building control bodies' (local authorities and private sector approved inspectors) resources to concentrate on other areas of work where self-certification is not appropriate. Improving the level of compliance, as CPS members are likely to be more competent than non-members. Saving of time to CPS members through removal of the need to give local authorities two days notice before building work commences on site. No saving in time anticipated to carry out the work.

### Key assumptions/sensitivities/risks

Discount rate (%) 3.5%

There is an element of uncertainty about estimates which has been reflected through ranges. For instance the average annual cost of CPS membership is in a range of £300-£450 based on information provided by CPS operators on their proposed membership fees. Savings per job are estimated in ranges based on an average hourly rate for building control of £60 per hour and an estimate of time taken, together with assumptions for number of jobs relating to particular types of work and the likely involvement of a CPS, based on advice from local authorities and internal expert opinion. For more detail see evidence base. There are some risks of non-compliance with building regulations associated with self-certification but these are considered to be low.

Impact on admin burden (AB) (£m):			Impact on policy cost savings (£m):		In scope
New AB: £2m pa	AB savings: £34m pa	Net: £32m pa	Policy cost savings:		Yes

## Enforcement, Implementation and Wider Impacts

What is the geographic coverage of the policy/option?			England and Wales		
From what date will the policy be implemented?			01/10/2010		
Which organisation(s) will enforce the policy?			CLG		
What is the annual change in enforcement cost (£m)?			N/A		
Does enforcement comply with Hampton principles?			Yes		
Does implementation go beyond minimum EU requirements?			No		
What is the CO <sub>2</sub> equivalent change in greenhouse gas emissions? (Million tonnes CO <sub>2</sub> equivalent)			Traded: N/A	Non-traded: N/A	
Does the proposal have an impact on competition?			Yes		
What proportion (%) of Total PV costs/benefits is directly attributable to primary legislation, if applicable?			Costs: N/A	Benefits: N/A	
Annual cost (£m) per organisation (excl. Transition) (Constant Price)	Micro	< 20	Small	Medium	Large
Are any of these organisations exempt?	No	No	No	No	No

## Specific Impact Tests: Checklist

Set out in the table below where information on any SITs undertaken as part of the analysis of the policy options can be found in the evidence base. For guidance on how to complete each test, double-click on the link for the guidance provided by the relevant department.

Please note this checklist is not intended to list each and every statutory consideration that departments should take into account when deciding which policy option to follow. It is the responsibility of departments to make sure that their duties are complied with.

Does your policy option/proposal have an impact on...?	Impact	Page ref within IA
<b>Statutory equality duties</b> <sup>1</sup> <a href="#">Statutory Equality Duties Impact Test guidance</a>	No	9/10
<b>Economic impacts</b>		
Competition <a href="#">Competition Assessment Impact Test guidance</a>	Yes	9/10
Small firms <a href="#">Small Firms Impact Test guidance</a>	Yes	9/10
<b>Environmental impacts</b>		
Greenhouse gas assessment <a href="#">Greenhouse Gas Assessment Impact Test guidance</a>	No	9/10
Wider environmental issues <a href="#">Wider Environmental Issues Impact Test guidance</a>	No	9/10
<b>Social impacts</b>		
Health and well-being <a href="#">Health and Well-being Impact Test guidance</a>	No	9/10
Human rights <a href="#">Human Rights Impact Test guidance</a>	No	9/10
Justice system <a href="#">Justice Impact Test guidance</a>	No	9/10
Rural proofing <a href="#">Rural Proofing Impact Test guidance</a>	No	9/10
<b>Sustainable development</b> <a href="#">Sustainable Development Impact Test guidance</a>	No	9/10

## Evidence Base (for summary sheets) – Notes

Use this space to set out the relevant references, evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Please fill in **References** section.

<sup>1</sup> Race, disability and gender Impact assessments are statutory requirements for relevant policies. Equality statutory requirements will be expanded 2011, once the Equality Bill comes into force. Statutory equality duties part of the Equality Bill apply to GB only. The Toolkit provides advice on statutory equality duties for public authorities with a remit in Northern Ireland.

## References

Include the links to relevant legislation and publications, such as public impact assessment of earlier stages (e.g. Consultation, Final, Enactment).

No.	Legislation or publication
1	<u>The Building Regulations 2010 (coming into force on 1 October 2010)</u>
2	
3	
4	

## Evidence Base

Ensure that the information in this section provides clear evidence of the information provided in the summary pages of this form (recommended maximum of 30 pages). Complete the **Annual profile of monetised costs and benefits** (transition and recurring) below over the life of the preferred policy (use the spreadsheet attached if the period is longer than 10 years).

The spreadsheet also contains an emission changes table that you will need to fill in if your measure has an impact on greenhouse gas emissions.

### Annual profile of monetised costs and benefits\* - (£m) constant prices

	Y <sub>0</sub>	Y <sub>1</sub>	Y <sub>2</sub>	Y <sub>3</sub>	Y <sub>4</sub>	Y <sub>5</sub>	Y <sub>6</sub>	Y <sub>7</sub>	Y <sub>8</sub>	Y <sub>9</sub>
<b>Transition costs</b>										
<b>Annual recurring cost</b>	1.8	1.8	1.7	1.7	1.6	1.6	1.5	1.5	1.4	1.4
<b>Total annual costs</b>	1.8	1.8	1.7	1.7	1.6	1.6	1.5	1.5	1.4	1.4
<b>Transition benefits</b>										
<b>Annual recurring benefits</b>	32.6	31.4	30.4	29.4	28.4	27.4	26.5	25.6	24.7	23.9
<b>Total annual benefits</b>	32.6	31.4	30.4	29.4	28.4	27.4	26.5	25.6	24.7	23.9

\* For non-monetised benefits please see summary pages and main evidence base section

# Evidence Base (for summary sheets)

## Introduction and Background

### *Development of Competent Person Schemes (CPS)*

By the mid 1990s the significant increase in the amount and types of building work subject to the Building Regulations that had to be notified to building control bodies (BCBs) ( i.e. local authorities (LAs) or private sector approved inspectors) before commencement for checking and inspection could no longer be practicably accommodated within the traditional building control framework.

A formal public consultation in 1997 showed general support for the principle of allowing installers (i.e. businesses - mostly sole traders or small firms) certified as competent to self-certify that their work complied with the relevant requirements of the Building Regulations. In 1999 the Government consulted more specifically on the appropriateness of self-certification for whole buildings and/or specific types of work. There was no support at that time for self-certification for whole buildings but much support for specific types of work, provided that the type of work was relatively low risk and of such a volume that made building control involvement difficult and diverted resources from areas of higher risk. The 1999 consultation also asked for expressions of interest in participating in such self-certification schemes and a number were received, but progress in taking the proposal forward was slow.

In April 2002 the revision to Part L (Conservation of fuel and power) extended building regulations requirements to areas not previously covered, notably the energy efficiency of replacement windows and combustion appliances. It was anticipated that there would be over one million notifiable jobs per year for each type of installation (compared to only around half a million other notifiable jobs in total), which would considerably stretch building control resources. It was also considered that the incidence of risk associated with non-compliance was low. It was therefore decided that self-certification schemes would be appropriate in these areas and a number of CPS were introduced to cover boiler and window installation.

The Building Regulations were extended to cover electrical installation work in dwellings through Part P (Electrical safety) as from 1 January 2005. Again, given the scale of the potential number of notifications it was felt this could only be practicably implemented if there were CPS to remove the burden from BCBs and the cost of LA notification from installers/consumers and the risk was considered to justify this approach. Since then the range of types of work and the number of authorised schemes has continued to increase to cover areas such as plumbing and air-conditioning systems.

### **Authorisation and monitoring of CPS**

CPS are authorised following consultation with other relevant government departments, building control representatives bodies and the Building Regulations Advisory Committee (BRAC). The operators must satisfactorily demonstrate that they have the financial, managerial and technical ability to operate a scheme.

Installers wishing to become a member of a CPS must demonstrate that they have the necessary competence to carry out work to building regulations standards. Competence is assessed against National Occupational Standards at NVQ level 3 or other equivalent standards, with continuing random monitoring of members' work to make sure it meets those standards.

When a job is completed an installer must notify the relevant LA - via their CPS operator - of the work carried out and certification of building regulations compliance is provided to the consumer (i.e. customer). It should be noted that membership of a CPS is voluntary – if an installer chooses not to join a CPS they still have the option of having their work supervised by a BCB.

About 2.5-3.0 million jobs are currently self-certified under CPS each year. As stated in Annex 1, CLG carries out periodic monitoring of the performance of existing CPS. Copies of previous reports can be found on the CLG website<sup>2</sup>. These have shown that schemes achieve a very high level of compliance with the health, safety and energy efficiency requirements of the Building Regulations and have therefore proved to be a success. The number of complaints from customers is a miniscule fraction of the jobs carried out under CPS (0.1% at most) and many of these are not about failure to meet building

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<sup>2</sup> <http://www.communities.gov.uk/planningandbuilding/buildingregulations/competentpersonsschemes/>

regulations standards. Evidence has therefore demonstrated that there are low risks attached to self-certification.

CLG has recently consulted on an enhanced set of criteria for authorisation and monitoring of CPS designed to increase the management and technical abilities of schemes and thus help achieve an even higher level of compliance with the Building Regulations. The responses to the consultation supported all the proposals (some with qualification) and, subject to Ministerial agreement, we propose to take these forward in the near future.

## **Rationale for Intervention / Policy Objectives**

Allowing competent installers to self-certify their work means that they do not need to notify in advance and pay a BCB to check the work, thus reducing the burden on installers and consumers and freeing up resources for BCBs to concentrate on other areas of building work where self-certification is not considered appropriate. The fact that installers need to demonstrate their competence and be subject to ongoing monitoring also means that the installations should achieve a higher level of compliance with the relevant requirements of the Building Regulations than other work. Competition amongst CPS also helps to ensure they keep membership fees low. CPS therefore provide an alternative and more cost effective means of ensuring compliance with the Building Regulations and help to reduce the level of unauthorised work carried out.

CLG proposes to authorise a range of new and extended CPS where the risk is considered to be justified. Recent changes to the energy efficiency aspects of the Building Regulations have meant that more installations are likely to be covered by the regulations than previously. For example, changes brought about by the implementation of the Energy Performance of Buildings Directive has meant that if more than 25% of the surface area of a thermal element, such as a roof, is replaced then the whole element must be brought up to current energy efficiency standards. Other policies designed to help meet the Government's climate change commitments (nearly half of all carbon emissions come from buildings) mean that there are likely to be significant increases in demand for certain types of work such as the installation of cavity wall insulation in existing buildings, or mechanical ventilation being provided in new, more air-tight buildings. By introducing the option of installers of these types of work being able to self-certify that their work complies with the Building Regulations, this will help to ensure that these provisions can be met in a practicable and cost-effective way.

Another objective is to align the CPS framework with the Microgeneration Certification Scheme (MCS) administered by the Department for Energy and Climate Change, so that installers do not need to join two separate schemes in order to be able to self-certify compliance with the Building Regulations and benefit from MCS status. The proposed new and extended CPS will also help to deliver the Government's 'Green Deal' – a mechanism to make it easy for individuals and businesses to save energy, reduce emissions and cut their costs.

Authorisation of schemes for microgeneration/renewable technologies will help support UK implementation of Article 14 of the Renewables Directive (2009/28/EC) which requires such schemes to be in place by 5 December 2010.

## **Description of policy options considered**

Option 1: To do nothing and authorise no new CPS or extensions to the scope of existing CPS.

Option 2: To authorise a range of new and extended CPS to meet the above policy objectives, as follows:

Applications were specifically invited for the following types of work (although applications were also accepted for other types of work covered by CPS):

- Installation of cavity wall insulation, which is a key strand of the Government's agenda for improving the energy efficiency of existing buildings;
- Installation as a replacement of conventional pitched and flat roofs, including the installation of insulation for such roofs, which will help to meet energy efficiency objectives;



- Installation of mechanical ventilation or air-conditioning systems in buildings (to support the changes to Parts F (Ventilation) and L (Conservation of fuel and power) of the Building Regulations coming into force on 1 October 2010); and
- Installation of microgeneration and renewable technologies (e.g. solar PV panels, solar thermal panels, ground source heat pumps - to help support the Microgeneration Certification Scheme administered by the Department for Energy and Climate Change and implementation of the Renewables Directive - 2009/28/EC).

A full list of the proposed authorisations for new and extended CPS is attached at *Annex 2*.

We have also considered a range of variants of option 2, including restricting the applications to new areas of work only rather than accepting additional applications for existing areas, or delaying the authorisation of new/extended CPS until April 2011. These were considered as time constraints meant it would be difficult to process and scrutinise all the applications in the time available, but it was decided that it was important to authorise as many CPS as possible for October 2010 so that the benefits could be captured at the earliest opportunity.

### **Costs and benefits of each option (including risks and assumptions)**

Option 1: If we do nothing and authorise no new or extended CPS, no new costs or benefits will arise.

Option 2: It is estimated that the following costs and benefits will arise if we authorise the proposed new or extended CPS:

#### **Costs**

There is a cost to an installer of joining and being a member of a CPS, typically in the range of £300-£450 fees per annum, although this varies from scheme to scheme with some setting flat rates and others setting charges based on the number of jobs completed and number of monitoring visits necessary during the year (so a sole trader would pay less than a large company). However, membership is voluntary and installers will not join a scheme unless it is beneficial for them to do so.

A central average estimate of £375 annual membership for 5,100 members in new or extended schemes gives a total annual cost of **£1.9m**. Ten years discounted cost gives a present value cost of **£16m**.

To reflect an element of uncertainty around average membership fees ranges have been included of £1.5m (at £300 average membership) to £2.3m (at £450 average membership).

#### ***Non-monetised costs***

There may also be a one-off and some ongoing training costs to installers to become and remain sufficiently competent to join and be a member of a CPS. It is unclear how much training would be needed although the costs should be minimal, so because of the level of uncertainty such costs have not been monetised.

There is also a cost to installers to notify a job carried out to the LA post completion and to provide a certificate of compliance to the consumer of approximately £2-£3 per job, as well as the time taken to do so. However, if the job were to be notified in advance to a LA to check the work there would be the need to complete and submit a building notice. It is estimated that the time taken for the latter and the cost of doing so in terms of postage etc would be very similar to the CPS notification process as the information provided is broadly the same and therefore there is no cost (or saving) from the change to the process. There will be a saving based on not having to pay a charge to a BCB and this is discussed in the benefits saving section.

#### **Benefits**

For each CPS we estimate the following saving for each job based on the amount of building charge that is likely to be saved x the estimated number of jobs per annum, to give the annual saving (NB: the ranges are set out in a separate section below):

## ***New and Extended Schemes***

### Roof replacements

Saving of £90 per job for 120,000 jobs per annum gives an annual saving of **£10.8m**.

Assumption of level of roofing work may be conservative - assumes a renewal rate of less than 1% per annum and that only 50% of those use a CPS so savings could potentially be higher.

### Mechanical ventilation or air conditioning in buildings

Saving per job of £30 for new buildings (100,000 per annum) and £90 for existing buildings (50,000 per annum) gives an annual saving of **£7.5m**.

Assumes mechanical ventilation for 50% of new houses all using a CPS (which may be high) and 25,000 installations for new/existing non-domestic buildings (which may be low).

### Micro-generation and renewable technologies

Saving per job of £30 for new buildings (25,000 per annum) and £120 for existing buildings (15,000 per annum) gives an annual saving of **£2.5m**.

### Cavity wall insulation

Saving of £60 per job for 250 jobs per annum gives an annual saving of **£15,000**.

Will only impact in the relatively rare occasion where an inspection is carried out, which is why the estimate of the number of jobs is so low. However, there is a risk that LAs may inspect more frequently from 1 October 2010 (when all LAs will have introduced a charging scheme under the Building (Local Authority Charges) Regulations 2010), so the potential savings could be much higher.

### Plumbing

Saving of £60 per job for 100,000 jobs per annum gives an annual saving of **£6m**.

### Heating and Hot Water

Saving of £60 per job for 50,000 jobs per annum gives an annual saving of **£3.0m**.

### Electrical installations

Saving of £120 per job for 22,500 jobs per annum gives an annual saving of **£2.7m**.

### Replacement Windows/Doors etc

Saving of £60 per job for 18,750 jobs per annum gives an annual saving of **£1.1m**.

This gives total annual savings of **£34m** per annum which over 10 years discounted at 3.5% delivers a net present benefit of **£280m**.

## ***Ranges and basis for savings***

The building control charges are based on an estimated average of £60 per hour taken from evidence provided by LAs. Approved Inspectors' fees are assumed to be broadly similar as they operate in a competitive environment.

To reflect an element of uncertainty in the estimations and assumptions, those schemes above assuming £90 per job were also estimated in ranges at £120 per job (High) and £60 per job (Low), those assuming £30 were estimated at £40 per job (High) and £20 per job (Low), those assuming £60 were estimated at £90 per job (High) and £30 per job (Low), and those assuming £120 were estimated at £150 per job (High) and £90 per job (Low).

These give a total annual saving benefit in the range of £19m-£49m around the central estimate of £34m. and present value benefits in a range of £161m - £410m around the central estimate of £280m.

The applicants for new and extended CPS estimated their number of members. Most will be small firms. We then estimated a likely number of jobs each would carry out per year. As building control charges will not be paid for these jobs there is a significant saving to the installers concerned. The benefits are thus calculated

on the basis of the estimated number of members and the estimated number of jobs they would have carried out per year subject to building control charges for which there is a saving.

As indicated above, the savings have been calculated on the basis there will be no building control charge payable for work covered by CPS, or a reduced charge in the case where the elements of the work being self-certificated is part of a larger project, typically for new buildings and some larger alterations. The Building (Local Authority Charges) Regulations 2010 came into force on 1 April 2010 which require LAs to introduce a new charging scheme under these regulations no later than 1 October 2010. The new charges regulations allow LAs more flexibility in the setting of their charges and they will be able to reduce charges or give a refund where part of a job is self-certified, so members of CPS will benefit.

### ***Non-monetised benefits***

The 'Rationale for Intervention' above refers to other benefits provided by the proposed new and extended CPS, in particular reducing the burden on installers and consumers and freeing up BCB resources, and also improving the level of compliance with the Building Regulations.

In addition, a further benefit may arise because a commencement notice must be submitted to the LA at least two days before building work commences on site, whereas a CPS notification is made after the work is completed. CPS membership could therefore provide a benefit in a saving of two days delay to work commencing on site. However, most installers will take account of this small delay when planning their work and as there is no evidence as to whether the delay causes any real difficulties, the potential savings have not been monetised.

### ***Net Impact to Business***

A Net present benefit of £280m and net present cost of £16m gives a central estimate Net Present Benefit of **£264m** (High: £391m, Low: £148m) and an average annual net benefit of **£32m** (High: £47m, Low: £19m). All of this net benefit is to business.

### **Impact on Administrative Burdens baseline**

The payment of a building control charge is an administrative burden imposed under the Building (Local Authority Charges) Regulations 2010. The total savings from not having to pay this charge therefore represent a reduction in the administrative burden of £32m.

### **Specific Impacts Tests**

#### ***Economic Impacts***

The main specific group affected by the proposed new and extended CPS are sole traders and *small firms* (i.e. businesses) who - as members of schemes - will derive the benefits and savings outlined above, which we consider will considerably outweigh the costs. Consumers will continue to pay a fee to the installer - as a CPS member - to carry out the building work in question, but they will benefit through not having to pay a building control charge. BCBs will also benefit through a significant reduction in the amount of work notified to them for checking and inspection.

There will also be an effect on *competition* as members of CPS will in many cases benefit by being able to quote a price for work lower than those not in schemes as the price would not include the amount of the building control charge.

#### ***Environmental Impacts***

As stated under 'Rationale for Intervention' above, CPS installers have to demonstrate their competence and are subject to ongoing performance monitoring. This means that the installations should achieve a higher level of compliance with the relevant requirements of the Building Regulations than other work. In addition, self-certification reduces the level of unauthorised work. Greater compliance with the Building Regulations improves building and environmental standards.

***Statutory equality duties, Social impacts and Sustainable development*** - no impact.

## **Summary (including preferred option and implementation plan)**

CLG therefore proposes to proceed with Option 2, to authorise a range of new and extended CPS, so as to reduce the costs and burdens of complying with the Building Regulations at an average net saving of around £32m per annum, help improve compliance and deliver the Government's energy efficiency and climate change commitments.

The schemes will be authorised in the consolidated Building Regulations 2010 which are expected to come into effect on 1 October 2010. The regulations will be accompanied by a Departmental Circular and Circular Letter which will set out and give guidance on the changes to the regulations. It is anticipated that all the new schemes will be invited to participate in the Competent Persons Forum, an industry-led body that acts a focal point for CPS issues.

The new CPS will be monitored and reviewed in accordance with the details set out in the post-implementation review plan in Annex 1.

## Annexes

Annex 1 should be used to set out the Post Implementation Review Plan as detailed below. Further annexes may be added where the Specific Impact Tests yield information relevant to an overall understanding of policy options.

### Annex 1: Post Implementation Review (PIR) Plan

A PIR should be undertaken, usually three to five years after implementation of the policy, but exceptionally a longer period may be more appropriate. A PIR should examine the extent to which the implemented regulations have achieved their objectives, assess their costs and benefits and identify whether they are having any unintended consequences. Please set out the PIR Plan as detailed below. If there is no plan to do a PIR please provide reasons below.

<p><b>Basis of the review:</b> [The basis of the review could be statutory (forming part of the legislation), it could be to review existing policy or there could be a political commitment to review];</p> <p>Individual CPS are routinely monitored, usually three years after their authorisation and then at intervals thereafter, to ascertain how closely they are complying with their conditions of authorisation by CLG. Monitoring includes the: number of members; number of jobs done; number of jobs complying with the Building Regulations and reasons for non-compliance; and general performance of the schemes. CLG also collects regular statistics from the CPS to assist this process. Any concerns are raised with the individual scheme operators but also feed into a broader ongoing assessment of how the CPS regime is working in practice. In parallel, we will also seek to verify the assumptions made as part of this impact assessment.</p>
<p><b>Review objective:</b> [Is it intended as a proportionate check that regulation is operating as expected to tackle the problem of concern?; or as a wider exploration of the policy approach taken?; or as a link from policy objective to outcome?]</p> <p>See above.</p>
<p><b>Review approach and rationale:</b> [e.g. describe here the review approach (in-depth evaluation, scope review of monitoring data, scan of stakeholder views, etc.) and the rationale that made choosing such an approach]</p> <p>It is important to understand how well individual CPS are working as well as how the policy is functioning overall and whether the estimated savings identified are being achieved in practice.</p>
<p><b>Baseline:</b> [The current (baseline) position against which the change introduced by the legislation can be measured]</p> <p>The baseline is the current range of CPS / use of BCBs.</p>
<p><b>Success criteria:</b> [Criteria showing achievement of the policy objectives as set out in the final impact assessment; criteria for modifying or replacing the policy if it does not achieve its objectives]</p> <p>Key criteria are: level of membership of CPS; number of jobs carried out by CPS and notified to BCBs; performance of CPS (number of complaints etc). We will also monitor building control average hourly rates and, if possible, the time taken for LAs to carry out similar work to verify assumptions regarding estimated savings.</p>
<p><b>Monitoring information arrangements:</b> [Provide further details of the planned/existing arrangements in place that will allow a systematic collection systematic collection of monitoring information for future policy review]</p> <p>See above.</p>
<p><b>Reasons for not planning a PIR:</b> [If there is no plan to do a PIR please provide reasons here]</p> <p>N/A</p>

## Annex 2: List of new and extended competent person schemes recommended for authorisation

Type of work	Scheme operator
Installation of cavity wall insulation in existing buildings	Cavity Insulation Guarantee Agency Limited <sup>1</sup>
Replacement of roof coverings and associated work in existing buildings, not including the installation of solar panels	National Federation of Roofing Contractors Limited <sup>1</sup>
Installation of mechanical ventilation or air-conditioning systems in buildings other than dwellings	Building Engineering Services Competence Accreditation Limited <sup>2</sup>
Installation of microgeneration and renewable technologies	Building Engineering Services Competence Accreditation Limited <sup>2</sup> , Benchmark Certification Limited <sup>2</sup> , STROMA Certification Limited <sup>1,3</sup>
Replacement windows and doors in existing dwellings	BM Trada Certification Limited <sup>1</sup> , Network Veka Limited <sup>1</sup>
Installation of a lighting system or electric heating in buildings other than dwellings	Building Engineering Services Competence Accreditation Limited <sup>2</sup> , NAPIT Registration Limited <sup>2</sup> , STROMA Certification Limited <sup>1</sup>
Installation of heating and hot water systems	STROMA Certification Limited <sup>1</sup>
Electrical installations in dwellings	Building Engineering Services Competence Accreditation Limited <sup>2</sup> , Benchmark Certification Limited <sup>2</sup>
Installation of plumbing sanitary ware in dwellings	Building Engineering Services Competence Accreditation Limited <sup>2</sup>

<sup>1</sup> New Scheme

<sup>2</sup> Extended Scheme

<sup>3</sup> This is the body for which we are recommending only some of the types of work for which they applied. They are aware that this is the case.