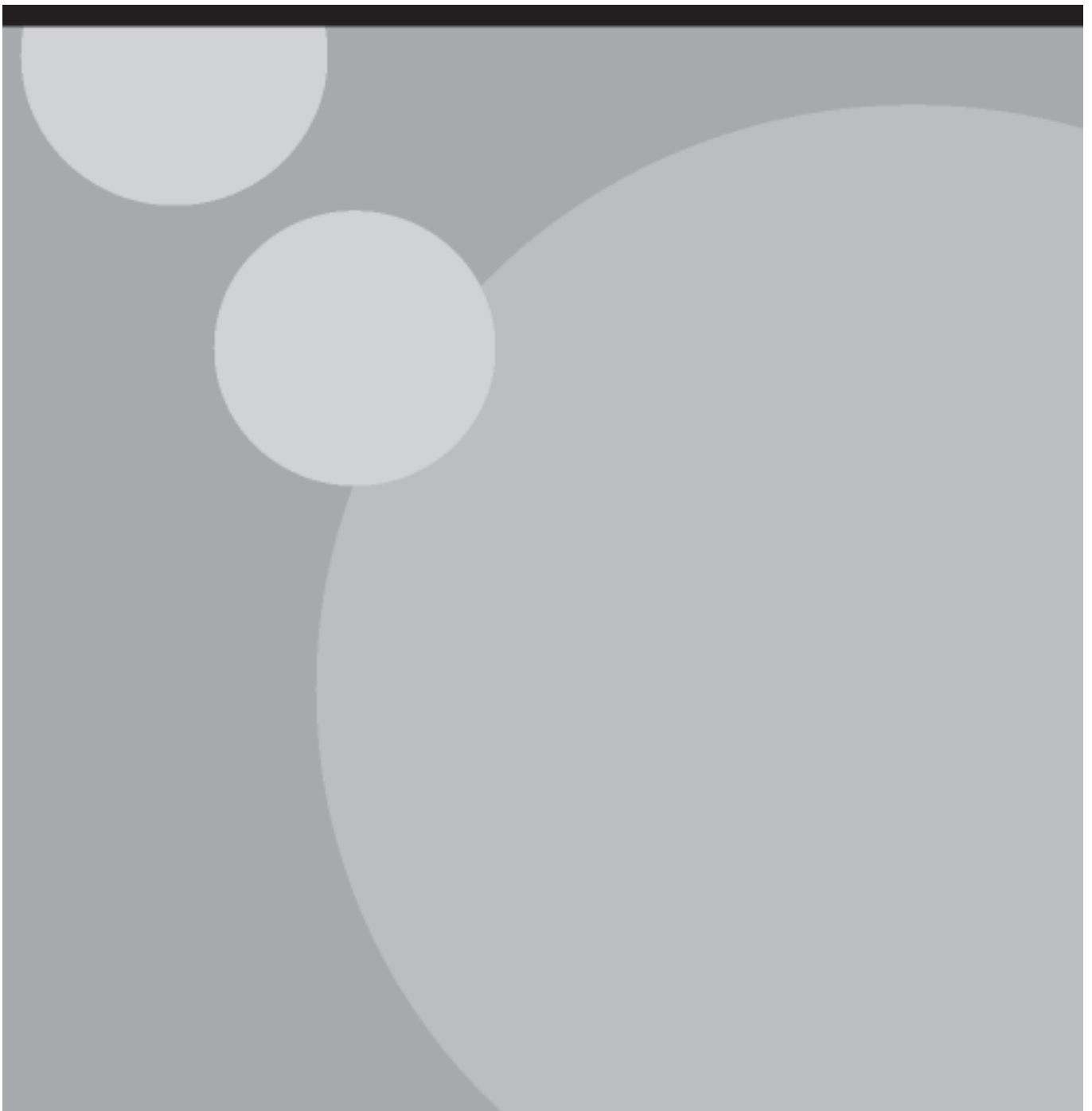




Changes to Part M (Access to and use of buildings) of the Building Regulations in England: Access Statements

Consultation stage impact assessment





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Title: Changes to Part M (Access to and use of buildings) of the Building Regulations in England: Access Statements IA No: DCLG 0079 Lead department or agency: Department for Communities and Local Government Other departments or agencies:	Impact Assessment (IA)			
	Date: 22/11/2011			
	Stage: Consultation			
	Source of intervention: Domestic			
	Type of measure: Secondary legislation			
Contact for enquiries: Richard Harral				
Summary: Intervention and Options				RPC: GREEN

Cost of Preferred (or more likely) Option				
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, One-Out?	Measure qualifies as
£159.35m	£159.35m	-£17.46m	Yes	OUT

What is the problem under consideration? Why is government intervention necessary?

Part M (Access to and use of buildings) sets out minimum requirements to ensure that a broad range of people are able to access and use facilities within buildings. Building Regulations provide flexibility in determining what level of provision is reasonable on a case by case basis. Applicants need to communicate their proposals effectively but the existing 'one size fits all' guidance in Approved Document M, relying on submission of detailed Access Statements could be made more effective and efficient by replacement with a risk based approach. This will improve compliance and reduce cost to Industry, and as a statutory document the guidance can only be amended by Government intervention.

What are the policy objectives and the intended effects?

This policy will develop guidance on the most effective way for applicants to communicate and agree adequate provision for access to and use of buildings where works are subject to Building Regulations. Revised guidance will move towards a graduated, risk based approach proportionate to varying scale and type of development and away from reliance on Access Statements as the only tool to communicate compliance. This will eliminate unnecessary bureaucracy and cost to Industry whilst seeking to maintain or improve outcomes for the broadest range of users. Revised guidance will be made in October 2012 and come into effect in April 2013.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

We have considered two approaches;

Option 1 - "Do nothing" is not preferred because engagement and feedback from Industry suggests that the current 'one size fits all approach' is not effective across the broad range of building work subject to Building Regulations approval.

Option 2 - The preferred option is to identify the most efficient approach to agreeing reasonable provision for access to and use of buildings. Engagement with Industry indicates a consensus that providing guidance on communicating and agreeing compliance remains desirable and beneficial, but that a more efficient, risk based approach could reduce administrative costs and improve quality of delivery. This IA focuses on streamlining of existing regulatory process but we will also be taking forward supporting work in parallel to improve industry engagement and skills.

Will the policy be reviewed? It will be reviewed. If applicable, set review date: 04/2016						
Does implementation go beyond minimum EU requirements?			No			
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.		Micro Yes	< 20 Yes	Small Yes	Medium Yes	Large Yes
What is the CO2 equivalent change in greenhouse gas emissions? (Million tonnes CO2 equivalent)			Traded: Nil		Non-traded: Nil	

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.

Signed by the responsible Minister: _____ *Andrew Stunell* Date: 25 November 2011

Summary: Analysis & Evidence

Policy Option 1

Description: Do nothing

FULL ECONOMIC ASSESSMENT

Price Base Year 2011	PV Base Year 2013	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate:

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate			

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

None.

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

None.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate			

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

None

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

None

Key assumptions/sensitivities/risks

This option assumes that in the absence of Government intervention existing non-productive costs to industry will remain.

Discount rate (%)

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OIOO?	Measure qualifies as
Costs:	Benefits:	Net:		

Summary: Analysis & Evidence

Policy Option 2

Description: Revise guidance to support more targeted and risk based compliance

FULL ECONOMIC ASSESSMENT

Price Base Year 2011	PV Base Year 2013	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: £102.92m	High: £233.83m	Best Estimate: £159.35m

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	2.73		2.73

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

Transitional costs monetise the time required for professionals to acquire and familiarise themselves with revised guidance and a supplementary cost associated with the development of revised approaches to guidance within individual businesses and role out of training to staff.

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

None.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	12.28m	105.66m
High	Optional	27.48m	236.57m
Best Estimate		18.83m	162.09m

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

Reduced administrative cost to industry by i) reducing the quantity of information required by adopting a risk based (rather than proforma) approach and ii) providing greater flexibility in choosing method of communication. This will result in an average annual benefit to Industry of £18.83m. Please see the tables in the evidence base for a detailed breakdown of predicted reductions in cost of demonstrating compliance.

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

Reduction in on site or post completion enforcement costs (including cost of abortive design and building work) as a result of more effective communication between applicants and Building Control Bodies.

Key assumptions/sensitivities/risks

Discount rate (%)

3.5

Savings are based on estimated frequency and time spent in preparing and reviewing Access Statements - DCLG have commissioned research to substantiate these assumptions and results will be available during the consultation period. Costs and savings also assume that Industry will adopt the most effective and proportionate approach on a case by case basis, once more flexible guidance is introduced.

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OIOO?	Measure qualifies as
Costs: £0.32 m	Benefits: £18.83m	Net: £18.51m	Yes	OUT

Evidence Base (for summary sheets)

Problem under Consideration

Background on the Building Regulations

The Building Regulations control certain aspects of building work principally to protect the health, safety and welfare of people in and around buildings. Part M of Schedule 1 of the regulations relates to access to and use of buildings and Approved Document M (AD M) contains statutory guidance that demonstrates one way in which the provisions can be complied with.

The regulations themselves are expressed in “functional” terms and do not dictate how compliance must be achieved. However, for the benefit of both industry and building control bodies, advice on how the requirements of the Building Regulations may be met are contained in guidance approved by the Secretary of State. This covers some of the more common building situations, but there may be alternative ways of achieving compliance with the provisions. However, if followed, the guidance can be relied upon in any proceedings as tending to indicate compliance with the Building Regulations.

AD M is supporting guidance for Part M of the Building Regulations (Access to and use of buildings) which seeks to ensure that reasonable provision is made for a broad range of users to access and benefit from the provision of suitable facilities where building work takes place. The 2004 edition of AD M introduced for the first time the concept of an Access Statement, which is recommended *‘to identify the philosophy and approach to inclusive design adopted, the key issues of the particular scheme and the sources of advice and guidance used’*.

Beyond compliance with the Building Regulations, employers and service providers also have duties under the Equality Act 2010 (previously the disability Discrimination Act or DDA) to make reasonable adjustments to physical features of buildings which could otherwise prevent access for disabled people. Making sound judgements as to reasonable provision at the point where building work is undertaken therefore not only benefits future building users by ensuring that appropriate access and facilities are provided, but also helps industry to reduce the likely need for expensive retro fit costs once the building is occupied.

The Problem

Building Regulations control a wide variety of types of work including the erection of new buildings, and the extension or alteration of existing buildings, in both domestic (residential) and commercial sectors. In scale, works range from small modifications to components and fittings – for instance replacing a door or window – to large stand alone buildings and multi-building complexes.

The functional (rather than prescriptive) structure of the Building Regulations mean that whilst following the guidance in Approved Documents is regarded as tending to show compliance alternative solutions can be proposed providing that they satisfy the Building Control Body that the level of provision is ‘reasonable’ and satisfies the functional requirements of Part M in each particular instance. This provides flexibility to take into account both the nature and scale of development as well as constraints and the needs of likely users.

As a result, the level of provision from one project to the next can vary significantly whilst still being considered to demonstrate compliance. Access Statements were introduced with the intention of improving communication between designers, applicants and Building Control Bodies at the design stage of building work and in particular to provide a structured approach to determine what is reasonable on a case by case basis.

Following extensive discussions with external partners it is clear that the current one size fits all approach to demonstrating compliance by submitting Access Statements has not proven

effective across all types and scale of building work. In particular, Access Statements are less effective in relation to smaller and less complex works where developers, designers and builders do not have the expertise or resources available in larger scale projects. As a result, Access Statements accompanying some applications add administrative cost but deliver little value in conveying the proposed approach to achieving compliance nor in improving the quality of access in the resultant building work. In such cases, Building Control Bodies often prefer to rely on other information as a means of assessing compliance and access statements represent an unproductive administrative burden as a result. Given that a large proportion of building work is of a smaller scale (we estimate that 76% of all building work is between £25,000 and £500,000 in value) this has an important impact on quality and cost of compliance in the built environment as a whole.

Ensuring that Building Control Bodies and applicants are agreed on reasonable provision prior to commencing building work is also important in terms of quality and cost of outcomes;

- Firstly, that physical features which help ensure good access can be hard to integrate effectively once construction work has commenced and doing so can lead to compromised solutions which reduce the resultant quality of access
- Secondly, that making changes to designs during construction creates costs to applicants in terms of disruption and abortive work which can otherwise be avoided.

These proposals set out the benefits of a more flexible, risk based approach which reflects varying scales and types of building work and which can reduce administrative burden and cost to industry, whilst improving quality of compliance.

Rationale for Intervention

Ministers set out key objectives for changes to Building Regulations as part of the 2013 review process including deregulation, simplification, identifying essential new requirements and improving overall compliance with existing requirements.

In 2010 DCLG invited the public to comment on what future changes should be made to Building Regulations and the Building Control System. We received 67 submissions in relation to Part M varying from calls for additional measures in housing design (lifetime homes) and adult sanitary provision for people with high assistance needs (Changing Places) to detailed analysis of the functionality of existing guidance in use. Whilst respondents indicated that the scope of AD M was broadly correct, there was some concern as to the quality of compliance and the way in which Access Statements were being used to establish reasonable provision.

In December 2010 DCLG therefore committed to reviewing how effective the existing recommendation to use Access Statements has been in day to day use and whether or not there is a need to consider changing the existing guidance and approach.

Extensive dialogue with a broad range of professionals involved in the preparation and use of Access Statements has resulted in detailed anecdotal evidence with some strong indicators, consistent across Industry. This suggests the need to encourage a flexible approach which responds more effectively to the range of skills and expertise available in varying scales and types of building work, rather than relying on Access Statements as the only way of communicating compliance.

Adopting this revised approach will deliver a measure of de-regulation and simplification as well as helping applicants and Building Control Bodies to focus resources on key compliance issues on a case by case basis. Enabling this shift in behaviour will be difficult if existing guidance is retained, as Building Control Bodies and applicants are likely to be deterred at least in part by the risk of adopting approaches outside those that remain within statutory guidance.

Because the guidance in Approved Document M (Access to and use of buildings) is considered statutory guidance, revisions to promote more efficient and effective behaviour necessitates amendments which can only be facilitated by Government intervention.

DCLG have also commissioned independent analysis of Building Control records to provide robust evidence of frequency and content of Access Statements in order to support anecdotal evidence gathered thus far and provide objective evidence to inform final policy proposals and will report in early 2012. **Alongside the results of full public consultation results from this research will be used to test the assumptions underpinning the preferred option, its costs and the benefits it will deliver if adopted.**

Policy objective

Part M of the Building Regulations is intended to ensure baseline standards to enable a broad range of people to access and use buildings and their facilities. The guidance sets out what are considered to be proportionate provisions in the most common of circumstances.

These objectives remain relevant. The aim of this current proposal is to learn from the experience of the way Access Statements have been used since 2004 to develop a more effective, efficient and proportionate approach to communicating compliance which targets risks and reduces cost.

We will consult on these proposals in early 2012 with a view to making changes to guidance in October 2012, coming into force April 2013.

Description of options considered (including do nothing)

We are considering two options;

- i) Option 1 – Do nothing
- ii) Option 2 – Review guidance to deliver a more efficient approach

Option 1) – Do nothing

Government could decide to retain existing Access Statement recommendations within AD M at this time.

The primary risk of a do nothing approach would be that in some instances industry will continue to incur costs in the preparation of Access Statements whilst not capturing the benefits that this approach was intended to deliver. As a result, Do Nothing is not our preferred option.

Option 2) Review guidance to deliver more efficient approach

The starting point for the review of this policy was to consider whether it remains necessary to continue to provide advice on access statements, and if so, what form that guidance should take. Underpinning these considerations is the assumption that a Building Control Body's view of adequate provision will remain constant in relation to a given set of circumstances, though because of the functional nature of the Building Regulations the way in which this is achieved may vary. The overall outcome should, ultimately, remain the same.

Given that this should be the case, we have explored the possibility of removing recommendations and guidance on demonstrating compliance from AD M completely. However, extensive engagement with external partners (detailed further in the 'Rationale and IA Analysis' section), suggests that Industry as a whole does not favour this approach, noting that there are still significant gaps in skills and awareness where guidance on demonstrating compliance is of benefit.

Available evidence indicates that in larger scale construction projects, developers, designers and Building Control Bodies value and make extensive use of Access Statements to manage communication of compliance. It is therefore anticipated that, even if guidance were to be removed, in both residential and commercial development, schemes above £10m in value would be likely to continue to adopt this approach where it delivers value.

In addition, Industry (particularly service providers) will typically have equality policies requiring the audit of decisions relating to access provision and a proportion will continue to prepare Access Statements with respect to concerns as to public and professional liability. Public bodies are likely to have similar concerns as well as duties under the Equalities Act.

Access Statements will therefore remain a useful tool in certain scales and types of development. However, in smaller scale works which form the majority of notifiable projects (76% of notifiable building work has a value of less than £25k) where skills and resources are limited, alternative approaches are needed to ease compliance.

The proposed policy does not therefore seek to preclude or prevent the use of Access Statements where applicants believe that a written statement accompanying other information (such as drawings) and as part of an application is the best and most efficient way of agreeing reasonable provision with a Building Control Body.

Proposals will however set out alternatives to a written Access Statement where evidence suggests this would be beneficial. Revised guidance will promote efficiencies in two ways. Firstly by removing reference to prescribed content and structure of third party guidance which sets out a prescriptive list of information that should be required as part of an Access Statement enabling applicants and building control bodies to focus on key risks proportionate to the scale and nature of the building work; and secondly by encouraging a wider range of ways to communicate compliance which may be better suited to the skills and resources available to applicants. Combined this should improve communication and eliminate unproductive bureaucracy.

Engagement with Industry also suggests that including this revised approach within the Approved Documents would be necessary to engender behaviour change as Building Control Bodies and applicants would tend to maintain current practice unless given a new sense of direction.

Providing revised guidance will;

- Encourage Building Control Bodies and Industry to have confidence in and adopt more efficient, targeted approaches to communicating compliance to ensure that unnecessary or irrelevant information is not required as part of the Building Control application. Communication will therefore become more focused on project critical issues, delivering better outcomes and removing requirements for unnecessary or irrelevant administrative exchanges between applicant and Building Control Body;
- Reduce administrative burden whilst focusing available resource on improving quality of compliance as the number of poor quality and ineffective Access Statements produced, particularly for smaller scale work, will be replaced by more effective and lower cost methods of communication.

We recognise that in order to capture these benefits other work is necessary to promote behavioural change. We therefore propose to engage with professional bodies outside the regulatory context to develop revised approaches to guidance and role out training to members.

Costs and benefits

Option 1 – Do nothing

Total costs: Nil - Doing nothing will not incur any additional costs.

Total Benefits: Nil - Doing nothing will not incur any additional benefits.

In order to understand the existing costs to business of current guidance regarding Access Statements, DCLG commissioned EC Harris, in collaboration with PRP Architects, to use construction order data published by Office for National Statistics in 2008 and an audit of residential and commercial work undertaken by PRP architects, to determine the likelihood of preparing Access Statements in relation to different scales of building project.

The resultant costs are based on EC Harris and PRP architects' analysis drawing on existing evidence within their own records. We do however recognise that this evidence needs to be further substantiated before final values can be considered robust and we will therefore;

i) Fully test assumptions and outputs as part of the Public Consultation process.

ii) Use the results of specifically commissioned research in to the frequency, cost and effectiveness of access statements to further test these values at a post consultation stage.

Table 1 and 2 below sets out figures based on 300,000 building control application per annum, further split into residential (210,000 applications) and commercial development (90,000 applications). This research will be published alongside this consultation.

The banding by size (based on analysis of Office for National Statistics data) suggests that in the residential sector, out of 210,701 Building Control Applications received, 201,000 (96%) were for works below £25,000 and assumed that none of these applications would be accompanied by an Access Statement due to their minor scale. 50% of the 5,834 schemes between £25,000-500,000 were assumed to be accompanied by an Access Statement, and the remaining 3,849 schemes ranging between £0.5-20m were all assumed to be accompanied by an Access Statement.

The required time input per Access Statement for residential projects ranged between 0.5 days for schemes between £0.5-2.0m up to 4 days for schemes above £10m in value.

In the commercial sector, out of 90,000 Building Control Applications 50,255 (56%) were for works below £25,000 and it is assumed that 25% of these applications would be accompanied by an Access Statement. 50% of the 32,929 (37%) of schemes between £25k-500k were assumed to be accompanied by an Access Statement, as were the remaining 6,115 (7%) of schemes ranging between £0.5-20m.

The required time input per Access Statement for commercial projects is greater than for residential schemes reflecting increased complexity and ranged between 0.15 days for works up to £25k, 1.5 days for schemes between £25k-500k ranging up to 6 days for schemes above £10m in value.

The final figure, based on an architect's daily rate of £584, taken from EC Harris's fees database, the applicability assessment and time input, the estimated central cost for preparation of Access Statements is £5.69m for residential projects and £27.86m for mixed use projects, totalling **£34m** per year (and within a range of £23-43m when subjected to sensitivity analysis).

Table 1: *For Residential Projects*

Project Size Band	No. of Building	Time Input per building	% Applicable	Total cost
Less than £25,000	201,018	0	0	£0.00m
£25,000 to £500,000	5,834	0.5	50	£0.85m
£500,000 - £2 million	3,332	2	100	£3.89m
£2-10 million	452	3	100	£0.79m
£10-20 million	45	4	100	£0.11m
£20 million +	20	4	100	£0.05m
Total	210,701			£5.69m

Table 2: For Mixed Use Projects

Project Size Band	No. of Building	Time Input per building	% Applicable	Total cost
Less than £25,000	50,255	0.15	25	£1.10m
£25,000 to £500,000	32,929	1.5	50	£14.42m
£500,000 - £2 million	4,125	3	100	£7.23m
£2-10 million	1,594	4	100	£3.72m
£10-20 million	215	6	100	£0.75m
£20 million +	181	6	100	£0.63m
Total	89,299			£27.86m

Table 3 shows that 76% of Access Statements submitted relate to projects of less than £500,000 in value.

Table 3: Proportion of Applications by Value

Project Size	No. of Applications	No. likely to be accompanied by Access Statement	Cumulative Percentage of Total
Less than £25,000	251,273	2,564	0.00%
£25,000 to £500,000	38,763	19,382	76.2%
£500,000 - £2 million	7,457	7,457	94.0%
£2-10 million	2,046	2,046	98.9%
£10-20 million	260	260	99.5%
£20 million +	201	201	100.0%
Total	300,000	31,910	

This counterfactual case will be reviewed following receipt of results from research let by DCLG to undertake more detailed data recovery and analysis from Building Control Body records which is due to report during the proposed December consultation period.

Option 2 – Revise guidance to deliver more efficient approach

Costs

These proposals do not affect what constitutes reasonable provision in relation to any specific element of building work – that decision will continue to be made by the relevant Building Control Body and should remain constant. As a result, annual costs to industry should not rise as there is no material change in the level of provision they would be asked to provide.

However, we do believe industry will incur transitional costs in familiarising themselves with revised guidance and in adopting a cultural change in the approach to communicating compliance across practices.

The charge-out rates used to calculate transitional costs come from a range of sources including advice from our independent contractors, EC Harris. These figures are used as a proportionate approach to calculating these costs to business.

The transitional costs assume two strands of cost to business in the first year that the new guidance is introduced into AD M (these will be a one off cost only):

The initial cost will be the time required to read the revised guidance (estimated to be half a page of text) and become familiar with the changes in practice that the text encourages.

We have assumed that 80% of those in each profession would be involved in the production of Access Statements (excluding managerial and senior staff).

We assume 15 minutes of familiarisation time, based on just 3 or 4 paragraphs of amended text and the average cost of purchasing new guidance will be £1 per individual, taking into account that many firms will buy one copy for all employees to share and many will view or download new guidance at no cost.

Table 4: *Transitional Cost Summary*

Profession	Number of Individuals	Average Hourly Fee	15 min charge	£1 cost of obtaining guidance	Total cost (£m)
Building Control Officers	4,000	£60	£15	£3,200	£0.05m
Architects	32,000	£73	£18	£25,600	£0.49m
Surveyors	25,000	£60	£15	£20,000	£0.32m
Other	2,000	£60	£15	£1,600	£0.03m
Total					£0.89m

However, reading the guidance at an individual level may not deliver all of the proposed benefits. A supplementary cost is associated with the development of revised approaches to guidance within individual businesses, and roll out of training to staff.

The calculations in Table 5 assume that in larger organisations, only 5% of staff will be involved with the reshaping of the organisation's guidance regarding communicating compliance, with the numbers involved decreasing further (to 2.5%) for surveyors and other staff not directly involved in preparing access strategies.

A further 45% of staff will receive training to implement revised approaches (with the numbers involved decreasing further (to 22.5%) for surveyors and other staff not directly involved in preparing access strategies), taking approximately half an hour per person.

Table 5: *Total Transitional Cost*

Profession	Number of Individuals	Average Hourly Fee	% age Involved in Reshaping Guidance	Cost for a day's time (8 hrs)	% age involved in Training Regarding Reshaped Guidance	Cost for half an hour of time	Total Cost (£m)
Building Control Officers	4,000	£60	5	£480	45	£30	£0.13m
Architects	32,000	£73	5	£584	45	£36.50	£1.27m
Surveyors	25,000	£60	2.5	£480	22.5	£30	£0.41m
Other	2,000	£60	2.5	£480	22.5	£30	£0.03m
							£1.85m
Total = £1.85m + £0.89m = £2.73m							

Total transition cost of £2.73m

Transitional Costs to Homebuilders: Of this £2.73m, we can broadly estimate that the transitional costs on homebuilders will be £0.44m (extrapolating from available data that 16% of all Access Statements currently submitted are for residential projects). This is calculated using the percentage of all applications that relate to residential projects and the assumption that for residential projects, none of the applications below £25k relate to homebuilders, and that only 70% of those Access Statements submitted for residential projects with a value between £25-500k were submitted by homebuilders. For all of the categories above £500k, we assume homebuilder involvement with all applications (please see Table 7 below which sets out these figures).

Benefits

Annual Estimate Net Benefit to Business of £18.83m (2011 prices or £17.46m in 2009 prices)

As set out in Table 6, it is assumed that where appropriate – for example in large complex schemes or works to existing buildings where there are particular constraints - a proportion of Access Statements will still be submitted once guidance is revised.

The counterfactual cost as set out above is estimated as £34m per annum. Our central estimate is that by adopting a more efficient approach to communicating compliance, administrative savings of approximately £18.83m can be achieved. This is calculated as an average annual estimate net benefit of £18.83m (2011 prices), which taking into account a 3.5% discount rate, gives a Net Present Value over ten years of £159.35m.

The principle benefits from this approach are a reduction in overall administrative cost through both lower per unit costs (where Access Statements are submitted they are more focused and efficient) and through a reduction in the overall number of Access Statements submitted (as smaller schemes which make up the majority of building control applications are likely to find alternative means of engaging with building control in agreeing reasonable provision).

Whilst savings on an individual basis are modest, the large number of potential transactions (set out in the tables as a proportion of the 300,000 projects subject to Building Control applications on an annual basis) mean that the cumulative savings are significant.

For instance, current guidance on the content of a Building Control stage Access Statement requires a range of information in addition to the essential information required to demonstrate compliance. This includes setting out the client's policy and approach to inclusive design, a list of relevant guidance used in making design decisions (and an explanation of why such guidance is relevant in this instance), lists of those consulted and results of any such consultation process; how the proposals demonstrate compliance with particular reference to any alternative approaches to providing access and in some cases consideration of management and maintenance policies to be adopted to maintain features enhancing accessibility must also be set out. In effect, the statement sets out how and where the proposals comply with guidance in the Approved Documents as well as explaining where they diverge or adopt alternative approaches.

A risk based approach would identify key considerations in relation to that type and scale of work (such as toilet provision or achieving level access for wheelchair users) and focus information exchange only on the information needed to agree compliance where this diverges from guidance in the approved document, significantly reducing time in cost in exchange of information and reaching agreement as to a compliant solution.

The tables below set out a central estimate of savings resulting from reduced administrative costs. **These savings and the underlying assumptions will be fully tested during Public Consultation.**

Table 6: For Residential Projects

	Number of properties	Time input	% Reduction in cost of Access Statements submitted	Value of time saving (£m)
Less than £25,000	201,018	0	0	£0.00m
£25,000 to £500,000	5,834	0.5	30	£0.51m
£500,000 - £2 million	3,332	2	60	£2.34m
£2-10 million	452	3	40	£0.32m
£10-20 million	45	4	20	£0.02m
£20 million +	20	4	20	£0.01m
				£3.19m

Value of time saving is number of properties x time input x % reduction x £584

Total savings on residential buildings= £3.19m

Research commissioned from EC Harris, working in conjunction with PRP Architects indicates that 16% of all Access Statements currently submitted are for residential projects. Of these it is assumed that none of the applications below £25k relate to homebuilders, and that only 70% of those Access Statements submitted for residential projects with a value between £25-500k were submitted by homebuilders. Table 7 below outlines the calculations arising from these assumptions. The total annual estimated net benefit for homebuilders is £2.99m (2011 prices or £2.82m in 2009 prices) giving a Net Benefit over a ten year period of £25.73m.

Table 7: Estimated Benefits on Residential Projects

	Number of properties	Time input	% Reduction in cost of Access Statements submitted	Value of time saving (£m)	% of applications by homebuilders	Value of time saving to homebuilders (£m)
Less than £25,000	201,018	0	0	0	0	0
£25,000 to £500,000	5,834	0.5	30	£0.51m	70	£0.36m
£500,000 - £2 million	3,332	2	60	£2.34m	100	£2.34m
£2-10 million	452	3	40	£0.32m	100	£0.32m
£10-20 million	45	4	20	£0.02m	100	£0.02m
£20 million +	20	4	20	£0.01m	100	£0.01m
				£3.19m		£3.04m

Table 8: For Mixed Use Projects

	Number of properties	Time input	% Reduction in cost of Access Statements submitted	Value of time saving £
Less than £25,000	50,255	0.15	20	£0.88m
£25,000 to £500,000	32,929	1.5	30	£8.65m
£500,000 - £2 million	4,125	3	60	£4.34m
£2 – 10 million	1, 594	4	40	£1.49m
£10-20 million	215	6	20	£0.15m
£20 million +	181	6	20	£0.13m
				£15.63m

Total savings on mixed use projects = £15.63m

Total savings on residential and mixed use buildings for Option 2 = £18.83m (2011 prices)

These figures have been subject to a sensitivity analysis.

The low range of benefits assumes constant transitional costs of £2.73m, and an average annual estimate net benefit to business of £11.96m (2011 prices or £11.28m in 2009 prices), which taking into account a 3.5% discount rate, gives a Net Present Value over ten years of £102.92m.

The high range of benefits assumes constant transitional costs of £2.73m and an average annual net benefit to business of £27.17m (2011 prices or £25.62m in 2009 prices), which taking into account a 3.5% discount rate, gives a Net Present Value over ten years of £233.83m.

Table 9: Summary of Cost, Benefits and NPV

Cost: One off Transitional Cost	£2.73m
Benefit: Present Value Benefit:	£162.09m (High: £236.57m, Low £105.66m)
Net Present Value: Net Benefit	£159.35m (High: £233.83m, Low £102.92m)

Non monetised benefits

We have also identified that by facilitating better communication, the risk of costs in enforcement, disruption and retrofit will be reduced once construction work commences. At the same time, improved compliance should deliver benefits in improved access for a broad range of users. Currently these benefits are non monetised but we will be undertaking further work during the consultation period to establish where possible their monetary value.

Rationale and IA Analysis

These proposals relate to the procedural aspects of demonstrating compliance with one part of the Building Regulations and as a result represent a relatively minor change with limited scope. Whilst it is considered unlikely to have a negative impact on compliance with Part M of the Building Regulations, we recognise that ensuring suitable access to buildings and their facilities is an issue of particular importance to a significant proportion of the population.

Whilst the policy objectives are to improve outcomes (for all groups including Industry) the evidence and analysis underpinning these proposals needs to be sufficiently robust to provide certainty that any negative outcomes have been recognised and where possible addressed.

We are already some way to establishing this breadth of evidence.

DCLG undertook an exercise in the latter half of 2010 to determine what changes were necessary to the Building Regulations to ensure they remained fit-for-purpose, with a particular emphasis on identifying measures to reduce the cost of regulation to business and any other “must do” regulatory changes.

There were 248 responses from our external partners to this exercise. In addition, DCLG drew upon ideas and suggestions submitted to the Cabinet Office’s *Your Freedom* and DCLG’s own website. A summary and analysis of responses and details of the work being considered in advance of the consultation this proposal forms a part of is contained in *Future changes to the Building regulation – next steps*¹. As set out in this document:

“Few responses questioned the principle of regulations setting national standards that ensure buildings are built to baseline standards, although there was some comment that they were on firmest grounds in relation to health and safety [rather than wider sustainability objectives]. Many specifically recognised the positive role Building Regulations played and welcomed the fact that there was a nationally applied set of minimum requirements.”

The exercise undertaken last year demonstrated that the general approach to regulating through the Building Regulations (functional requirements supported by guidance as to how to comply) was supported by external partners. However, whilst most respondents were happy with the scope of AD M, they did raise concern as to the quality of outcomes resulting from application of guidance in AD M.

To explore why this was the case DCLG has engaged extensively with external partners through a series of informal workshops and meetings. 10 Workshops were held involving over 100 access consultants, building control surveyors, designers and disabled people to seek their views. A range of opinions were offered which have underpinned our proposals to seek greater flexibility in demonstrating compliance – particularly for smaller and simple works – whilst allowing applicants to continue to utilise Access Statements where they are perceived as being of value.

The evidence gathered from DCLG’s programme of engagement will be supplemented by a research contract let in August 2011 which will analyse how Access Statements are used in practice, substantiate the frequency with which Access Statements are submitted and identify any significant trends in compliance. This research will additionally provide a benchmark against which the impact of these proposals can be measured at a future date. Results from the research are expected during the consultation period and alongside consultation responses will be used to ensure evidence informing final policy proposals is suitably robust. DCLG will also be undertaking work in the same period to evaluate non-monetised benefits as set out in this Impact Assessment.

We anticipate that these results, combined with responses to consultation, will be sufficient to enable officials to finalise policy proposals.

¹ Future changes to the Building regulation – next steps. Published by DCLG in December 2010. Available at www.communities.gov.uk/publications/planningandbuilding/buildingregsnextsteps

Risks and assumptions

The assumptions used in arriving at the costs of pursuing Option 2 are dealt with in turn in the preceding paragraphs. We recognise that we need to test these assumptions and Consultation will specifically seek evidence and views on the approach taken in this Consultation Stage Impact Assessment. In particular:

- The time and cost to Industry in becoming familiar with revised guidance within Approved Document M
- The percentage of building control applications currently accompanied by an Access Statement, banded by project size
- The extent to which revised guidance will change industry behaviour and to what extent
- The extent to which revised guidance will deliver benefits to industry
- The extent to which revised guidance will impact on compliance
- Whether there are any costs not identified within the consultation stage Impact Assessment.

The most significant risk associated with the measures set out in the Impact Assessment is that the proposed approach will be less effective in ensuring reasonable provision for access to and use of buildings than the existing policy.

We do not consider a reduced quality of outcomes to be likely. Having spent extensive time talking to key external partners we believe that where Access Statements currently deliver value, they will continue to be used. Where Access Statements are delivering poor value, and are surplus to requirements in terms of assessing compliance, we believe there is merit in setting out alternative and more effective approaches.

We have set out our understanding of these potential impacts in the attached Equality Impact assessment.

Direct Costs and benefits to business calculations (following OIOO methodology)

The direct costs and benefits to business of adopting Option 2 is outlined in the below table:

Cost: One off Transitional Cost	£2.73m
Benefit: Present Value Benefit:	£162.09m (High: £236.57m, Low £105.66m)
Net Present Value: Net Benefit	£159.35m (High: £233.83m, Low £102.92m)

Costs in Relation to Comprehensive Spending Review Commitment to Reduce Regulatory Burden on Homebuilders over the course of this Parliament:

The estimated saving to homebuilders has been calculated on the assumption that 16% of all Access Statements currently submitted are for residential projects, as set out in the research commissioned from EC Harris, working in conjunction with PRP Architects. This assumes that only 70% of the Access Statements submitted for projects of value between £25-500k were submitted by homebuilders.

The total saving for homebuilders = £2.99m annual estimate net benefit (2011 prices or £2.82m in 2009 prices) and a Net Benefit over a ten year period of £25.73m.

The initial first year transitional cost on homebuilders will be £0.44m, assuming that 16% of all Access Statements (but only 70% of those submitted in the category of £25 – 500k) currently submitted are for residential projects, as set out in the research commissioned from EC Harris.

Wider Impacts

The wider impacts of simplifying the guidance surrounding the use and application of Access Statements and clarifying the relationship between AD M and the Equality Act have been considered through a series of specific impact tests.

Equalities Impact Test

An initial equalities screening of the proposed policy was carried out and determined that a full equalities impact test was required due to the sensitivity of issues surrounding this policy. The Full Equalities Impact Assessment confirmed that whilst a number of the equality groups could be directly affected by this policy it is considered unlikely that there will be any negative impacts overall. The Equality Impact Assessment can be downloaded from the following web page;

<http://www.communities.gov.uk/publications/planningandbuilding/brconsultationsection1>

SME's Impact Test/ Micro Business etc

The potential effects of simplifying guidance in Approved Document M on competition and small firms have been assessed as creating no negative impact. Access consultants are unlikely to lose work as they are typically employed for larger scale projects where Access Statements are valued and utilised to good effect. Access Statements for smaller scale works are typically written by none specialists who will benefit from the streamlining of guidance which encourages alternative means of demonstrating compliance through the reduction in administrative demand placed upon them. Developers and designers will have greater flexibility in deciding how they wish to approach demonstrating compliance and will most likely see reduced costs as a result.

Competition Impact

The proposed policy seeks to establish a more effective process affecting one part of the Building Regulations. As such it does not make any significant change to how the UK market will operate. An initial assessment indicates, therefore, that the policy proposal will not directly or indirectly limit the number or range of suppliers, limit the ability of suppliers to compete or reduce suppliers' incentives to compete vigorously.

Environmental Impact Tests

It has been determined that this policy will not result in additional greenhouse gasses being emitted and will have no impact on the wider environment.

Social Impact Tests

We do not expect the proposal to have any social implications.

Sustainable Development

We do not expect the proposal to have any sustainable development implications.

Summary and preferred option with description of implementation plan

The preferred option is Option 2. Revise guidance setting out a more flexible, targeted and risk based approach to demonstrating compliance between applicants and Building Control Bodies which better reflects the resources and skills available in varying types and scales of building work.

Because Part M (Access to and use of buildings) deals with aspects of layout and provision, it is important in minimising the cost of compliance and in ensuring that building work is suitably accessible, that clear agreement as to what constitutes reasonable provision should be reached prior to commencing the building work itself.

We therefore feel that merit remains in providing guidance to both applicants and building control bodies as to the benefits of ensuring that this is the case. However, the available evidence suggests that imposing a 'one size fits all' approach focused on the provision of Access Statements is not the best way of achieving desired outcomes.

We propose;

- To simplify guidance on communicating compliance, making clear that Access Statements are not a requirement of building control applications and placing the onus on applicants and building control bodies to decide on the most efficient and suitable way of establishing a joint view of reasonable provision.
- To support implementation of this approach to establish a dialogue between Government and professional bodies (such as Architects, Access Consultants, Engineers, Building Control Bodies and Surveyors) to encourage them to lead in considering how access issues can be best addressed during the design and construction process.

Implementation Plan

The simplification of guidance surrounding the use of Access Statements will be formally consulted upon in early 2012, with a view to changes coming into force in April 2013. These changes will be made in parallel with a process of engagement with professional bodies to explore how they can raise the profile, awareness and skills amongst their members in order to capture the benefits of this approach, limiting transitional costs, whilst continuing to give appropriate consideration to the needs of a broad range of building users.

DCLG have commissioned a more detailed piece of research to establish a baseline for current industry practice including establishing an estimate of the frequency and cost of Access Statements submitted to Building Control based on data recovered directly from Building Control Bodies, as well as a more detailed assessment of the benefits of our proposed approach. This research project will be completed during the consultation period and will help deliver a robust evidence base for the final Impact Assessment and a reference baseline of current practice for future reviews.