

July 2019

## **Approved Schemes Of Insurance**

### *Background*

CICAIR are aware of the current issues concerning the approved schemes of insurance for Approved Inspectors and are working closely with colleagues within the MHCLG, Welsh Government, ACAI and the insurance industry.

At the current time, other than NHBC, only Griffiths and Armour is offering insurance cover under a scheme approved by the Secretary of State or Welsh Ministers.

### *Statutory Requirements*

Approved Inspectors are mandated to adhere to statutory requirements at all times.

Section 47(1)(c) of the Building Act 1984 requires that an initial notice must be accompanied by evidence that an approved scheme applies, or the prescribed insurance cover has been or will be provided in relation to the work.

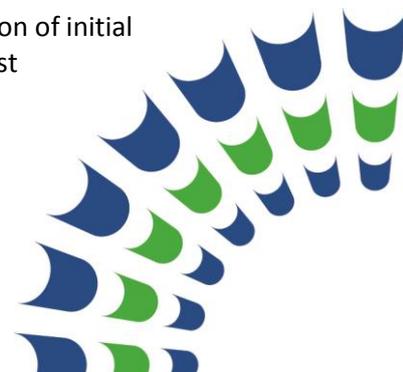
The Building (Approved Inspectors etc) Regulations 2010 require that an Approved Inspector who gives an initial notice, amendment notice, plans certificate, combined initial notice and plans certificate or final certificate must ensure that CICAIR is in possession of a declaration that a named scheme of insurance approved by the Secretary of State or Welsh Ministers applies to the work to which the notice or certificate relates. A notice or certificate that is not accompanied by a declaration that a named scheme of insurance approved by the Secretary of State or Welsh Ministers applies will be rejected by the local authority.

Section 52(1) of the Building Act 1984 requires that, when an initial notice is in force and the Approved Inspector becomes or expects to become unable to carry out its functions with respect to any of the work to which the initial notice relates, the Approved Inspector shall cancel the initial notice by notice in the prescribed form given to the local authority concerned and to the person carrying out or intending to carry out the work.

Section 52(3) of the Building Act 1984 requires that, when an initial notice is in force and it appears to the person carrying out the work that the Approved Inspector is no longer willing or able to carry out its functions, the person carrying out the work shall cancel the initial notice by notice in the prescribed form given to the local authority, and if practicable, the Approved Inspector. It may be an offence under Section 52(4) if the person carrying out the work fails to comply with section 52(3).

### *CICAIR Position*

Where Approved Inspectors do not hold the required insurance and the cancellation of initial notices is therefore required, the reversion of work from Approved Inspectors must follow the prescribed practice at all times, noting in particular:



- Approved Inspectors without the prescribed insurance cannot serve initial notices, amendment notices, plans certificates, combined initial notices and plans certificates or final certificates.
- Approved Inspectors without the prescribed insurance should communicate promptly with all customers and advise them of the requirements of section 52 of the Building Act 1984, particularly subsections 52(1) and 52(3).
- Where work has not commenced, the initial notice can be cancelled and another Approved Inspector can submit an initial notice for the work. This must be a customer-led process and have the agreement of all parties. When establishing whether work has commenced, Approved Inspectors should refer to the Building Control Alliance's policy note 1 and, prior to serving an initial notice, the person carrying out the work must be made aware of the five day period between submitting the initial notice and work commencing as per the Building Control Alliance's policy note 2. The BCA policy notes are available at [www.cicair.org.uk/guidance/downloads/](http://www.cicair.org.uk/guidance/downloads/).
- Another Approved Inspector cannot serve an initial notice for work already commenced and so the project must be reverted to the local authority.
- If Approved Inspectors without the prescribed insurance provide other Approved Inspectors with access to its surveyors to engage as Professional Consultants, the Approved Inspector responsible for the works should ensure that it adheres to the requirements for the usage of Professional Consultants as detailed in the CICAIR Code of Conduct.

In accordance with the Building Control Performance Standards, Approved Inspector must retain building control records in a retrievable format for a minimum fifteen year period. When a building control body ceases to trade it must ensure the safe transfer and on-going storage of its records for the above period.

CICAIR recognises the concern, distress and difficulties that the uncertainty in the current insurance market is causing and are assisting the Government and industry colleagues in order to reach a long-term, sustainable solution.

## **CICAIR Limited**

