

CIC Approved Inspectors Register (CICAIR) Substantive Change Protocol



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- 1.0 CICAIR Limited (*herein referred to as CICAIR*) is the body designated by the Secretary of State in England and Welsh Ministers in Wales under section 49 of the Building Act 1984 and regulations 3 and 5 of the Building (Approved Inspectors etc.) Regulations 2010 to approve inspectors for the purposes of Part II of that Act.
- 2.0 The designation from the Secretary of State and Welsh Ministers requires CICAIR to, amongst other things:
 - Undertake the approval of inspectors and the termination of the approval of inspectors in accordance with section 49 of the Building Act 1984 and Part 2 of the Building (Approved Inspectors etc.) Regulations 2010.
 - Undertake periodic surveillance of the operations of Approved Inspectors.
- 3.0 This protocol sets out how CICAIR will consider substantive changes proposed by an Approved Inspector.
- 4.0 For the purposes of this protocol, substantive change means any form of merger, share capital acquisition, and/or consolidation or any change of ownership, governance, control, operating structure and/or contact details.
- 5.0 It is the Approved Inspector's responsibility to follow this protocol and inform CICAIR of proposed substantive changes covered by the protocol. If an Approved Inspector is unclear as to whether a change is substantive in nature, it should contact CICAIR for clarification.
- 6.0 Failure to comply with the protocol could result in the Approved Inspector being subject to disciplinary proceedings and this may result in the withdrawal of the Approved Inspector's approval.
- 7.0 Approved Inspectors are required to notify CICAIR in a timely manner of substantive changes to the Approved Inspector business and to seek approval prior to the initiation of proposed changes.
- 8.0 Substantive changes cannot be made by an Approved Inspector until such time as the changes have been formally approved by CICAIR.
- 8.1 The requirement to notify CICAIR of substantive changes to the Approved Inspector business is to enable CICAIR to protect the public interest and to make an assessment as to whether, following the substantive change, the business is still competent, fit and proper to act as an Approved Inspector in accordance with relevant legislation, the Code of Conduct for Approved Inspectors and/or the Building Control Performance Standards.
- 9.0 An Approved Inspector may withdraw a substantive change application at any time during the review process by submitting a formal letter of withdrawal to the CICAIR Registrar.

10.0 Confidentiality

10.1 All substantive change notifications are considered by CICAIR on a confidential basis with only the Registrar, Assistant Registrar and the assigned approval panel (if required) having access to the details of the proposed substantive change.

10.2 CICAIR will enter into a non-disclosure agreement (NDA) should the Approved Inspector request it.

11.0 Substantive Change Review Process

11.1 Substantive changes must be notified to CICAIR as early as possible and, for changes such as mergers, acquisitions, consolidations and/or changes of ownership, these must be notified to CICAIR at least three months prior to the intended change date.

11.2 Upon notification of a substantive change CICAIR will, if not provided at the time of the notification, write to the Approved Inspector requesting a detailed submission outlining the proposed substantive change.

11.3 CICAIR will advise the Approved Inspector what information is to be included in the submission. Typically, this information may include full company organogram(s), CVs for directors and key staff, a knowledge base matrix and full details on operational matters post-change including, but not necessarily limited to, governance, quality management, operational processes and procedures, services to be provided, independence, a business plan (including the intent regarding the Notice of Approval), a complaints procedure, insurance details, IT (including data security and record retention) and human resources.

11.4 Registrar Review

11.4.1 The Registrar will make an initial assessment of the submission and, at their discretion, determine whether the substantive change should be referred to a CICAIR approval panel. Referrals will usually be made when the substantive change submission indicates a complex or fundamental change to the Approved Inspector business. Changes such as director/senior staff alterations or revised contact details will not normally require referral to a CICAIR approval panel.

11.4.2 Should the Registrar determine that the substantive change submission does not require referral to a CICAIR approval panel, the Registrar will consider the submission and determine an outcome.

11.4.3 The Registrar, as a result of the review, can determine that:

- the substantive change is accepted (*see section 11.6*); or
- a decision on the substantive change is deferred subject to the provision of further information (*see section 11.7*); or
- the substantive change is refused (*see section 11.8*).

11.5 Approval Panel Review

11.5.1 Should the Registrar determine that the substantive change submission requires referral to a CICAIR approval panel, the Assistant Registrar will convene a CICAIR approval panel of at least two members (including the Registrar) from the membership of the CICAIR approvals committee to undertake a review of the submission.

- 11.5.2 The proposed approval panel will be notified to the Approved Inspector to ascertain whether the Approved Inspector considers there to be any conflict of interest. Approved Inspectors and CICAIR panel members may never act in a way that could breach confidentiality and/or infer a conflict of interest and are obliged to inform the Registrar immediately if a conflict of interest should affect their ability to carry out their role. If any party consider a conflict of interest to exist, they will notify CICAIR of the reasons and the Registrar will make a decision over whether to replace the approval panel member. The Registrar may refer the matter to the Chair and/or Deputy Chair of the approvals committee for a final determination. Should both the Chair and Deputy Chair also declare a conflict of interest the matter will be considered by the CICAIR Board of Directors.
- 11.5.3 Once a suitable approval panel has been agreed by all parties, the Assistant Registrar will set a mutually convenient date for an interview.
- 11.5.4 In the case of acquisitions, CICAIR may require both the acquirer and the acquiree to attend an interview, either separately or combined.
- 11.5.5 At the interview, the Approved Inspector will be required to make a short presentation of the submission to the approval panel.
- 11.5.6 The approval panel will consider the presentation and the submission and question the attendees to determine whether the substantive change would have an adverse impact on the public interest or the Approved Inspector's compliance with relevant legislation, the Code of Conduct for Approved Inspectors and/or the Building Control Performance Standards.
- 11.5.7 The approval panel, as a result of the review, can recommend to CICAIR that:
- the substantive change is accepted (*see section 11.6*); or
 - a decision on the substantive change is deferred subject to the provision of further information (*see section 11.7*); or
 - the substantive change is refused (*see section 11.8*).

11.6 *Acceptance*

- 11.6.1 If the Registrar determines, or the approval panel recommends, that the substantive change be accepted, CICAIR will write to the Approved Inspector confirming the outcome.
- 11.6.2 An Approved Inspector that successfully obtains approval for a substantive change may be subject to a CICAIR audit to verify that the changes have been implemented in accordance with the submission.

11.7 *Deferral*

- 11.7.1 If the Registrar determines, or the approval panel recommends, that a decision on the proposal is deferred until any queries or concerns that the Registrar or approval panel may have are resolved, CICAIR will write to the Approved Inspector outlining what is required in order to reach a decision. The Registrar or approval panel may require the Approved Inspector to take certain actions, provide additional information and/or attend follow-up interview(s).

11.8 *Refusal*

11.8.1 If the Registrar determines, or the approval panel recommends, that the proposals be refused, CICAIR will write to the Approved Inspector confirming the outcome.

11.8.2 An Approved Inspector that fails to gain approval for a substantive change may resubmit a revised proposal for consideration by CICAIR. If, however, the Approved Inspector continues with the change after a refusal of approval has been determined, the Approved Inspector will be subject to disciplinary proceedings and this may result in the withdrawal of the Approved Inspector's approval.

12.0 **Charging**

12.1 Where a substantive change is minor in nature and/or does not require the convening of an approval panel, i.e. a change of director or a change in contact details etc., CICAIR will bear the costs of the review.

12.2 Where a substantive change is significant in nature and/or an approval panel is convened to assess the submission, i.e. an acquisition or a change of ownership etc., the Approved Inspector will be liable for the costs of the review. This charge is to cover the administrative costs of processing the review, the costs of interview(s) and/or the obtaining of specialist advice. Typical substantive change review costs are usually between £500 and £1,000 but for a discussion about expected costs, contact the Registrar.