



Federation of Master Builders (FMB)

response to:

**Ministry of Housing, Communities and Local Government
Consultation – Single Construction Regulator prospectus**

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About the FMB

The Federation of Master Builders (FMB) is the largest trade association in the UK construction industry. With more than 6,500 member firms, representing around 45,000 employees, the FMB is the recognised voice of micro, small and medium-sized construction businesses.

Local builders sit at the heart of supporting the economy, creating new jobs and training the next generation of builders with skills fit for the modern economy. They are also key drivers in helping to deliver government priorities on growing the economy, quality housing delivery, and improving the UK's existing housing stock to be healthier.

To become a FMB member, building companies must go through a mandatory, multi-stage vetting process, which includes an onsite inspection, designed to ensure that companies meet high standards of quality and professionalism before joining. FMB membership can only be earned through this rigorous process.

Summary

Through this consultation the FMB is trying to impress upon the regulator that the built environment is deeply fragmented regarding competency and its application. There is a concern that competency enforcement has been ignored in the past because of the need to draw together disparate groups, but this shouldn't be a barrier for government to make the built environment safer. Often the approach has been top down, rather than bottom up, which is the easiest approach to building safety – large Tier 1 companies have the capacity and capability to deploy continuous improvements and training arrangements for their staff, but the majority of the industry, which are micro firms are left unattended to - despite having direct, regular contact with consumers and being responsible for their safety.

We would welcome any move to expand the remit of the regulator to be an overarching force to improve competence levels in the built environment. This is an opportunity to finally embed good practice and minimum competence levels, rather than support the pre-existing complex web of solutions that have been developed to make up for a lack of regulatory framework.

Response

Chapter 1: Our vision for a future regulatory system:

Where do each of the proposed outcomes for the system sit on a scale from very useful to not useful at all?

The FMB is broadly supportive of the four proposed outcomes and considers them to be helpful in setting a clear direction for the future regulatory system. We welcome the emphasis on safety as the primary outcome, which reflects the findings of the Grenfell Tower Inquiry, as well as the recognition of trust in the system as an important objective. We also agree that high standards and economic growth should be seen as complementary rather than competing aims.

As the proposals are developed further, it will be important that these outcomes are translated into regulatory duties in a way that is proportionate and workable in practice. In particular, this will require careful consideration of how regulatory requirements are applied to small and medium-sized firms, taking account of differences in scale, risk profile and project type, as well as the administrative capacity of SMEs. This includes ensuring that compliance processes, digital systems and data requirements are accessible and straightforward, that expectations are clearly communicated, and that regulatory oversight focuses on outcomes rather than procedural complexity. Such an approach will be important to ensure that well-run SME firms are supported to continue operating to high standards, while regulatory effort is appropriately targeted at higher-risk activity and poor practice.

What role would you and/or your organisation play in achieving these outcomes?

Building companies, particularly those working in domestic repair and maintenance, the largest output sub sector in construction, have no professional body, regulator or minimum competence levels. The FMB is the largest trade association in the construction by membership, and predominantly represents smaller builders working on domestic repair and maintenance projects i.e renovations. We are the closest organisation to a professional body for builders and have worked to improve competence in the industry for many years - through membership requirements, inspections, and guidance. We have helped embed good practice and professionalism among small builders and to support continuous improvement. The organisation also acts as a trusted intermediary between government and industry, supporting clear communication of regulatory expectations and helping to ensure that policy intent is understood and implemented effectively on the ground.

We think that embedding, enforceable minimum competence for builders would help improve the overall image and outcomes for the built environment, along with significant safety benefits for consumers. While tradespeople may train to a level of competence at the start of a career as part of a specialism like carpentry, they will go on to run businesses working across multiple skills and so the organisation themselves need competence embedded, which can be enforceable over the last span of a businesses.

The informality of employment in the sector also means that many will only learn on the job, without training, therefore this further cements the point that enforceable action is needed.

The FMB would like to work with the regulator to set and up and deploy a minimum competence level, or license, for building companies. We would be concerned the overall ambitions to improve safety of the built environment would be undermined if such a large proportion of the industry are left without the need to reach a compliance level.

In addition, the FMB is well placed to share intelligence from the frontline of construction activity, including emerging risks, unintended consequences of regulation and examples of good practice that could be scaled more widely.

What will be the most important factors to achieving the proposed outcomes?

From the FMB's perspective, this also highlights the importance of establishing a clear and comprehensive baseline for who is able to operate in the construction sector, which would be best achieved through the introduction of a mandatory licensing framework. A well-designed licensing system would help ensure that firms and certain sole traders meet minimum standards of competence and professionalism, support a more level playing field, and provide greater confidence for consumers. The success of the new system will also depend on greater consistency across regulatory bodies, so that firms are not faced with duplication, conflicting guidance or overlapping enforcement. It will be important for SMEs to be meaningfully engaged as the system develops, to ensure that regulatory requirements are practical and achievable in real-world settings. Alongside this, the system should promote a culture of learning and continuous improvement, rather than one focused solely on procedural compliance. Regulatory effort should be targeted where it can have the greatest impact, particularly on higher-risk activity and poor practice.

What are the most important barriers that could prevent the proposed outcomes from being met?

The lack of the industry that is captured by the new regulatory reach. Very few parts of the industry are regulated, notably builders lack minimum regulation of competence, or any protected characteristics. Too much focus in the past has been on deploying cultural change through the 'supply chain' – often thought of as the tiers falling below major contractors – but many builders, the majority, and others work outside of this reach. Domestic builders for example are completely removed from the influence of large-scale supply chains. Continuous professional development is essentially non-existent for builders, and even regulated areas, like Architects are not supported by their regulator in this respect. A focus on trades and specialist competence, like the push for competency frameworks, only develops competence at the point of training – there is nothing to support knowledge or support beyond this point. Many of these tradespeople will go on set up general building companies that rely on multiple skills sets, therefore the companies must be assessed for competence and ensure professional development to their employees. This support can be delivered by the relevant trade associations or professional bodies.

We're aware RIBA has proposed a new regulatory framework and we're supportive of its ambition. A structure supported by professional bodies or trade associations offering continuous professional development would be vital to drive culture change. However this would need to be holistic, there is no point offering this through only chartered bodies, if

large parts of the industry remain culturally unchanged – it must extend to domestic building companies with baseline levels of competence for builders.

Furthermore, if it is not clear who is responsible for what, there is a risk that problems such as duplication, gaps or inconsistent approaches continue rather than being resolved. Regulatory or digital processes that are overly complex, which can place a disproportionate burden on smaller firms without leading to better safety outcomes, may also be an issue. Weak or inconsistent enforcement would also undermine trust, particularly if poor practice is allowed to continue.

What data would be needed to demonstrate whether the outcomes are being achieved?

Data used to assess whether the proposed outcomes are being achieved should focus on outcomes rather than regulatory activity or process. From the FMB's perspective, this should include evidence of whether safety standards are improving in practice, whether poor-quality or unsafe activity is being identified and addressed more effectively, and whether trust in the system is being strengthened. This could include clearer and more consistent reporting of enforcement action taken against firms or individuals engaged in serious misconduct or poor practice, helping to demonstrate that the system is targeting higher-risk behaviour rather than responsible businesses.

It would also be important to understand how SME builders are performing within the new system, including whether firms that operate to high standards are able to comply with requirements and continue to operate and grow. In doing so, care should be taken to avoid imposing excessive or duplicative data collection requirements on small businesses.

Chapter 2: Integrating the regulatory system - Digital, Data and Efficient Regulatory Delivery

Have you experienced any challenges with providing information via government digital services when complying with current regulatory requirements across products, professions and buildings?

Yes. FMB members frequently report difficulties with the dissemination of information, not necessarily the tools themselves. The introduction of the Building Safety Act for example has still not been well communicated – so appropriate services and information are not being accessed.

How should the new regulator promote consistent digital standards and interoperability across the lifecycle of a building (including products, professions and buildings)?

It will be important that any new or reformed digital systems are designed and tested with SMEs in mind. Systems should be accessible, intuitive and proportionate, recognising that many small firms have limited administrative capacity and do not have dedicated compliance or IT functions. New digital requirements should be introduced gradually, with clear guidance

and support. Digital reform should make compliance easier for responsible firms, rather than adding complexity or cost for SMEs operating to high standards.

What digital tools and platforms do you find most effective for ensuring you meet regulatory compliance and why?

No comment.

What are the opportunities and risks associated with automating regulatory compliance checking (e.g. AI-driven assessment), and how should oversight, accountability and human review be retained within automated systems?

Automation has the potential to support regulatory compliance by speeding up the processing of routine applications, improving consistency in lower-risk cases and identifying missing or inconsistent information at an early stage.

However, over-reliance on automation risks overlooking the need for professional judgement, particularly where projects are complex, non-standard or site-specific. Automated systems may also struggle to reflect real-world construction practices, especially among domestic builders, and could disadvantage smaller firms that are less familiar with complex digital platforms. For these reasons, it is essential that any automated compliance checking is supported by clear accountability and meaningful human oversight.

Chapter 2: Integrating the regulatory system - Rebuilding residents' trust

Should the regulator play a role in setting behavioural standards and providing foundations for enforcement? If so, how should it do this e.g. via powers or duties?

Yes. The most effective way to provide a firm foundation for behavioural standards and enforcement for domestic builders is through the introduction of a mandatory licensing framework for domestic building companies. Licensing would establish a clear baseline for who is allowed to trade, the standards they are expected to meet, and the consequences when those standards are breached.

As set out in the FMB's Licence to Build¹ reports², a licensing system can be designed to be proportionate and workable for SMEs, while giving the regulator a clear and consistent tool to identify poor practice, target enforcement effectively and strengthen trust in the construction sector.

How can the regulator protect residents, enabling them to effectively exercise their rights to seek redress to make their homes safe, without fear or confusion?

A mandatory licensing framework would play an important role in this by making it clear who is authorised to carry out building work, the standards they are expected to meet, and the

¹ [Licence to Build \(2018\)](#)

² [Licence to Build \(2025\)](#)

consequences if those standards are not upheld. This would reduce the burden on residents to navigate complex and fragmented routes to redress, and help give confidence that concerns will be taken seriously and acted upon. Licensing would also provide a clearer and more consistent basis for enforcement and dispute resolution, supporting residents to seek redress without fear or confusion, while helping to rebuild trust in the construction sector.

As it stands the landscape for consumer is deeply confusing, there are myriad 'sticking plaster' solutions, like competence persons schemes and a range of commercially funded systems to ensure compliance. But the current schemes have been introduced to cover up for the lack of regulation, self-assessed competence person schemes are not enforceable, and little happens when they are failed. Consumers are not aware of many of them and they burden shouldn't be on lay people to ensure they're aware of the competency landscape. It's for government and industry to protect consumers, not for them to protect themselves in such a complex arena as building work. The commercially run methods of identify good workmanship have a vested interest in poor workmanship otherwise their business model becomes redundant.

How can the regulator monitor the impact the regulatory system has on the safety of residents?

Monitoring should focus on whether problems are being identified earlier and addressed more effectively, rather than simply measuring regulatory activity. A licensing framework would support this by making it easier to track repeat or serious poor practice and take proportionate action where standards are not met. Over time, clearer evidence that unsafe behaviour is being dealt with consistently would be an important indicator that the system is improving safety and rebuilding trust for residents.

What should the regulatory system do to better share information between regulatory bodies to inform and support the delivery of resident-based outcomes?

Better sharing of enforcement outcomes and intelligence would help regulators build a clearer picture of repeat or serious poor practice, reducing the risk that issues fall between different parts of the system. A licensing framework would support this by providing a common reference point for firms operating in the sector, making it easier to share information about compliance and enforcement in a structured and proportionate way. This would help ensure that regulatory action is coordinated and targeted, while giving residents greater confidence that issues are being dealt with consistently.

How can the regulatory system better support and advise residents?

Have an obvious and clear set of criteria for competence in the built environment that can be understood by those without knowledge. This would require the consolidation or removal of the many halfway house schemes that have been introduced to cover up for a lack of regulatory oversight. Residents need clear, accessible information about their rights and responsibilities, provided at key points such as purchase, refurbishment or major works.

The system should give consumers confidence that concerns will be taken seriously and acted upon, without requiring them to navigate complex or fragmented routes for advice or redress. A licensing framework would help support this by making it easier for residents to identify competent, authorised firms and understand the standards they are entitled to expect. The regulator should also work with trusted intermediaries, including consumer organisations and trade bodies, to ensure information is communicated clearly and reaches residents in a way that is practical and easy to understand.

Chapter 3: Roles and responsibilities in an integrated regulatory system

Do you agree with the principles set out in this chapter, and the proposed roles and responsibilities for government, regulatory bodies and industry?

The FMB broadly agrees. We support the role of government as steward of the system, a regulator with operational independence, and an industry that takes responsibility for raising standards and driving culture change. Clear boundaries, accountability and effective coordination between these actors will be essential if the system is to function as intended. From our perspective, the effectiveness of this model will depend on whether these roles are underpinned by clear and enforceable expectations, particularly for industry.

A regulatory system that relies solely on voluntary compliance risks inconsistency and uneven standards. By contrast, a system that establishes a clear baseline for who is able to operate in the sector, and what is expected of them, is better placed to support responsible businesses, target poor practice and build trust. Industry has a central role to play in delivering better outcomes, but that this role must sit within a framework that provides clarity, accountability and fairness across the sector.

What are your views on how the new regulator can work with industry to support culture change, towards a quality and safety-led culture? What sort of incentives or sanctions do you feel would be effective in supporting this change?

The regulator can best support culture change by working constructively with industry, particularly SME builders, to promote clear expectations, good practice and continuous improvement. Many small builders already take pride in delivering safe, high-quality work, and culture change is most likely to be sustained where firms understand what is expected of them and see that doing the right thing is recognised and supported.

Change is often delivered through regulation, rarely do behaviours or practices move forward without a change in the law. This is because small companies will not invest in training or new skill sets unless they must – this is simply a financial decision. If a company must reach a level of compliance they will commit to it as this protects the business in the long term and guarantees future work. It also sets clear signals for consumers as to what is a compliant and non-compliant company – removing a confusing landscape of various schemes.

Sanctions should lead to very clear circumstances. Domestic building companies, for example, that fall below expected standards, should no longer be able to practice. This sets clear expectations for consumers.

What are your views on how the industry can best drive the culture change and respond effectively to the changes proposed in this prospectus? In your view, how prepared are individuals and businesses for these changes? What would support industry to be more prepared?

Industry has a central role to play in driving culture change by taking greater ownership of standards, competence and professionalism across the sector. Culture change is most likely to be sustained where there are clear expectations, fair enforcement and confidence that poor practice will be addressed consistently. It's also more likely to be successful if pre-existing structures are used to roll out changes or help push messaging for culture change. Training engagement would suggest that culture change is driven by regulatory enforcement, it's very hard to improve behaviours with non-mandatory schemes. Building companies will simply not engage if something is not compulsory, only the most engaged builders and companies striving for best practice will shift behaviour.

In terms of preparedness, levels of readiness are usually minimal among small companies, But, many micro and SME builders are willing to engage positively with reform provided they have clarity about what is expected of them and access to practical support such as clear guidance, realistic transition periods and advice. A regulatory framework that provides a clear baseline would help support readiness, encourage investment in skills and quality, and support businesses to adapt effectively to change.

Chapter 4: Next steps and timeline

We would welcome bold and holistic change. As we've noted throughout, change to the industry so far has been piecemeal and reactive, which has created a confusing overall outcome for industry and consumers. We'd also stress that lessons must be learnt from the rollout of the Building Safety Act, which was quick, confused and still has poor message penetration into much of the built environment.

Changes must be delivered at a pace that can be absorbed by the industry, down the smallest company. This doesn't mean that potential changes can't be bold in nature, just that the delivery must understand the complex nature of the construction industry, particularly the sheer number of small businesses.