

BUILDING CONTROL FEES AND CHARGES

Head of Service/Contact:	Ruth Ormella, Head of Planning
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
Annexes/Appendices (attached):	Annex 1:- Financial report for year ending 31 March 2018 Annex 2:- Current charges schedule. Annex 3:- Changes to the Building Control charges
Other available papers (not attached):	Report and Minutes, Environment Committee 21 March 2012 Report and Minutes, Environment Committee 27 October 2015

Report summary

This report summarises the Building Control chargeable account.

Recommendation (s)

- (1) That the Committee receives and notes the review of the Building Control chargeable account following the end of the 2017/2018 financial year as provided within this report.**
- (2) That the Committee notes the adjustment to the Building Control charges scheme as set out in the Annex 2 and Annex 4 which commenced on 1 September 2018.**

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

- 1.1 The Service Plan includes the implementation of the Building Control Business Plan. Part of the Building Control Business is the need to ensure that the costs for delivering the Service is covered in the fee charging schedule. This report relates to the fee charging schedule for the delivery of this Service.

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2 Background

- 2.1 Applications for Building Regulations approval attract charges to cover the cost of checking plans and inspecting work on site to verify compliance.
- 2.2 The principles of the charges regulations require authorities to ensure that the price charged is an accurate reflection of the costs of carrying out the chargeable Building Control functions and for giving chargeable advice relating to Building Regulations. Authorities should not increase their charges above the level of their costs. The principles in the charges regulations require authorities to achieve full cost recovery on their Building Regulation chargeable work and determine standard and individual charges that reflect the cost of the service on individual building projects.
- 2.3 The Building (Local Authority Charges) Regulations 2010 provide that a review of the level of charges is undertaken at the end of the financial year and that a statement is prepared which outlines the chargeable costs, the chargeable income and the amount of any surplus or deficit.

3 Proposal

- 3.1 The purpose of reviewing the level of charges is to both reflect the actual cost of undertaking the work and to ensure that the service can respond to Building Regulations applications.
- 3.2 The end of financial year review of the Building Regulations chargeable account for 2017/18 (**Annex 1**) indicates a surplus of £2,091 for the year. In 2016/17 there was a surplus in the chargeable account of £26,228. The reduction in the surplus is due to reduced income in 2017/18 compared with the previous year.
- 3.3 On 27 October 2015 the Environment Committee endorsed the charges for Building Control for a three year period taking the adopted rates to October 2018. In endorsing the charging schedule Members delegated authority to officers to vary tariffs by up to 20% from the approved schedule during the 3 year period.
- 3.4 The Audit Commission have agreed in previous years for the chargeable account to generate a deficit or surplus of approximately 15% of total expenditure. The chargeable account for 2017/18 generated a surplus of 0.8% of total gross expenditure. Having regard for the need to deliver the Building Regulations functions and resource the work to be able to respond to service requests, it was considered that a change to our standard charges was needed to ensure that cost recovery is achieved, the new charges came into operation on 1 September 2018.

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- 3.5 **Annex 3** outlines the changes made to the charges, this shows the increases that have taken place and the percentage difference between the 2014 and 2018 charges. The Building (Local Authority Charges) Regulations 2010 provide that any change to the charging scheme is published, publication to our scheme of charges took place in the three weeks leading up to the scheme coming into effect.
- 3.6 Alongside the proposal to increase the charging schedule to reflect the cost of undertaking the work, the building control budget for 2018/19 on the chargeable account has been reduced by £30,000 to reflect the reduction in income over the previous period and a decrease in market share.
- 3.7 The budget for 2018/19 assumes that the Council will generate £290,000 from building control charges, compared to £320,000 in 2017/18. The decrease is a reflection in the reduction in building activity in the market.

4 Financial and Manpower Implications

- 4.1 **Chief Finance Officer's comments:** although the Building Control chargeable account returned a surplus for 2017/18, it was considerably lower than previous years. Consequently, fees have increased from 1 September 2018 to ensure the account returns a surplus for 2018/19.
- 4.2 Officers will continue to monitor the Building Control income, balancing the requirements of being competitively priced and complying with the chargeable account guidance.

5 Legal Implications (including implications for matters relating to equality)

- 5.1 Comments on the legal implications have been incorporated into the body of the report.
- 5.2 **Monitoring Officer's comments:** There are no comments arising from the contents of this report.

6 Sustainability Policy and Community Safety Implications

- 6.1 None for the purpose of this report.

7 Partnerships

- 7.1 None for the purpose of this report.

8 Risk Assessment

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- 8.1 There is a fine balance between raising the charges and still maintaining market share, it is considered that the implementation of these charges achieved that balance.

9 Conclusion and Recommendations

- 9.1 The Committee is asked to note the review of the Building Control chargeable account following the end of the 2017/2018 financial year, provided within this report.
- 9.2 The Committee is asked to agree to the varying of charges as set out in section 3 of this report.

Ward(s) affected: (All Wards);