

## **BUILDING CONTROL FEES AND CHARGES**

<u>Report of the:</u>	Head of Place Development
<u>Contact:</u>	Michael Hill
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
<u>Annexes/Appendices</u> (attached):	<u>Annexe 1</u> :- Financial report for year-ending 31 March 2016.
<u>Other available papers</u> (not attached):	Report to Environmental Committee 21 March 2012

### **REPORT SUMMARY**

**This report summarises the Building Control chargeable account.**

### **RECOMMENDATION (S)**

**That, the Committee notes the contents of this report.**

*Notes*

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

- 1.1 This item does not directly relate to the Council's key Priorities, Service Plans or Community Strategy.

## **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 shall prepare a statement which outlines the chargeable costs, the chargeable income and the amount of any surplus or deficit.

### 3 Proposals

- 3.1 The Building Regulations chargeable account for 2015/16 (Annexe 1) shows a surplus of £73,962 for the year and this compares to a £43,400 surplus for the previous year. This has come about due to the upturn in the economy and more confidence in the building industry.
- 3.2 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 2015/16 generated a surplus of 29% of total gross expenditure. In view of this it is not proposed to change our standard charges.
- 3.3 The fees and charges for Building Control service was agreed for the next 3 years at the Environment Committee on 27 October 2015, and authority given to allow officers to vary tariffs by up to 20% from the approved schedule during the 3 year period. During the year it has not been necessary to either reduce or increase our charges.
- 3.4 The budget for 2016/17 on the chargeable account has been reduced by £44,052 mainly due to the increase in income and efficiency savings. The budget for 2016/17 assumes that the Council will generate £277,504 from building control charges, compared to £255,000 in 2015/16. This increase is of a prudent level as whilst the income levels have performed above budget in the last 2 financial years there is still a risk that income may not remain at the levels seen previously.
- 3.5 The Committee is advised that discussions continue on the formation of an East Surrey Partnership and current predictions is that this will take place towards the end of the year should it be accepted.

### 4 Financial and Manpower Implications

- 4.1 No additional expenditure has been identified for the coming financial year.
- 4.2 There are no manpower implications.
- 4.3 **Chief Finance Officer's comments:** The building control account performed strongly in 15/16 with surpluses contributing towards overspends in other service areas. The chargeable account contributes c£81,000 annually towards the Council's central service charges (fixed costs).

4.4 The budget for 16/17 has taken the increased income received in 15/16 into account and has been built into our 4 year financial plan. Current forecasts suggest that 16/17 will be another strong year for building control income.

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

5.1 None for the purposes of this report.

5.2 ***Monitoring Officer's comments:*** None for the purposes of this report.

**6 Sustainability Policy and Community Safety Implications; Partnerships; Risk Assessment**

6.1 No implications for the purposes of this report.

**7 Conclusion and Recommendations**

7.1 The Committee is asked to note the contents of the report which provides a review of the Building Control chargeable account following the end of the 2015/2016 financial year.

**WARD(S) AFFECTED: ALL**