

BUILDING CONTROL FEES AND CHARGES

<u>Report of the:</u>	Head of Place Development
<u>Contact:</u>	Michael Hill
<u>Urgent Decision?(yes/no)</u>	No
<u>If yes, reason urgent decision required:</u>	
<u>Annexes/Appendices (attached):</u>	<u>Annexe 1:-</u> Financial report for year ending 31 March 2017.
<u>Other available papers (not attached):</u>	Report to Environmental Committee 27 October 2015

REPORT SUMMARY

This report summarises the Building Control chargeable account.

RECOMMENDATION (S)

Notes

(1) That, the Committee notes the contents of this report.

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 2016/17 (Annexe 1) shows a surplus of £26,228 for the year and this compares to a £73,962 surplus for the previous year.
- 3.2 The regulations require Council's to breakeven over a 3 year period taking into account chargeable income and expenditure. The chargeable account for 2016/17 generated a surplus of 11% 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 2017/18 on the chargeable account has been increased by £42,496 mainly due to the increase in income over the previous period. Savings have been made by holding open a vacant post. The budget for 2017/18 assumes that the Council will generate £320,000 from building control charges, compared to £316,663 in 2016/17. This increase assumes that the current market will continue to rise without loss of projects to the private companies.

4 Financial and Manpower Implications

- 4.1 The financial implications have been considered in the body of the report.
- 4.2 **Chief Finance Officer's comments:** *The Building Control chargeable account has shown a surplus for the past three years. There is a risk that future income may not remain at previous levels. The data which upon which the split between chargeable and non-chargeable activities is identified has not been reviewed for a number of years.*
- 4.3 *Consequently it is necessary to carry out a review to ensure that the pattern of chargeable and non-chargeable time and costs have not significantly changed since the last assessment. This is important because it is a key factor in fee setting and determines the level of surplus or deficits upon the Building Control Account. This is important to ensure that the Council maximises its income and achieves the requirement to breakeven over the 3 year period under the legislation.*

- 4.4 *Building Control Fees were last reviewed by the Environment Committee on the 27 October 2015. Officers will report back to the Environment Committee in October 2018 with recommendations for Building Control Fees for the next three year period.*

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

- 5.1 ***Monitoring Officer's comments:*** *As indicated in the body of the report, the overriding objective when setting building control charges is that, taking one financial year with another, the income from performing chargeable functions and providing chargeable advice should as nearly as possible equate to the costs incurred by the authority in performing those functions and providing that advice. The level of work is variable and not directly controllable by the Council. A reasonable approach must therefore be taken to estimating expenditure and income. The Council's approach to doing this and setting charges conforms to standard practice.*

6 Sustainability Policy and Community Safety Implications

- 6.1 There are no sustainability or community safety implications arising directly from this report.

7 Partnerships

- 7.1 There are no implications for partnerships arising directly from this report.

8 Risk Assessment

- 8.1 It is not considered that any significant risks arise from this report.

9 Conclusion and Recommendations

- 9.1 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 2016/2017 financial year.

WARD(S) AFFECTED: (All Wards);