

BUILDING CONTROL FEES AND CHARGES

Report of the: Head of Place Development

Contact: Michael Hill

Urgent Decision?(yes/no) No

If yes, reason urgent decision required:

Annexes/Appendices (attached): Annexe 1:- Financial report for year ending 31 March 2015.
Annexe 2:- Amendments to Standard Charges

Other available papers (not attached): Report to Environmental Committee 21 March 2012

REPORT SUMMARY

This report summarises the Building Control chargeable account.

RECOMMENDATION (S)

- (1) That, the Committee notes the contents of this report.
- (2) That the Committee agrees to grant delegated authority to the Building Control Manager for the future adjustment of Building Control charges scheme upwards or downwards by 20% in consultation with the Council's Head of Financial Services and the Head of Service, to ensure that income will cover the cost of the chargeable service.

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 2014/15 (Annexe 1) shows a surplus of £43,400, for the year and this compares to a £1,711 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 2014/15 generated a surplus of 18.79% of 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 21 March 2012, and authority given to allow officers to vary tariffs by up to 20% from the approved schedule during the 3 year period. It is proposed that authority be continued to be delegated to the Building Control Manager to vary charges upwards or downwards by 20% in consultation with the Head of Financial Services and the Head of Service in order to enable quicker alterations to charges regime when it is found that they need to be amended to reflect the need to break even. In September 2014 amendments were made to the standard charges to ensure that the service would break even, these charges are contained in Annexe 2 of this report.
- 3.4 The budget for 2015/16 on the chargeable account has been reduced by £28,000 mainly due to the increase in income. The budget for 2015/16 assumes that the Council will generate £250,000 from building control charges, compared to £220,000 in 2014/15. With a surplus of £1,711 in 2013/14 on the chargeable account, this has increased to a surplus of £43,400 on the 2014/15 chargeable account.

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- 3.5 A review of the level of charges was undertaken and the charges altered within the provision previously agreed to ensure that the service would break even. These charges were implemented on 1 September 2014.
- 3.6 The Committee is advised that discussions are currently taking place to form an East Surrey Partnership (the name of the Partnership is still to be decided). This proposal should it be accepted is likely to take effect in the new year.

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 well in 14/15. The account contributes c£80,000 towards the Council's central service charges (fixed costs).

The budget for 15/16 took the increased income received in 14/15 into account and raised the building control income fees budget from £220,000 to £250,000. Current forecasts suggest that 15/16 will be another strong year for building control income with a surplus of £10,000 projected on 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

- 6.1 None for the purposes of this report.

7 Partnerships

- 7.1 None for the purposes of this report.

8 Risk Assessment

- 8.1 N/A

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 2014/2015 financial year.

WARD(S) AFFECTED: N/A