

TONBRIDGE & MALLING BOROUGH COUNCIL

FINANCE and PROPERTY ADVISORY BOARD

9 January 2013

**Joint Report of the Director of Planning, Transport and Leisure
and the Director of Finance**

Part 1- Public

Matters for Recommendation to Cabinet - Key Decision

1 BUILDING REGULATION FEES

Summary

This report recommends an amended charging regime intended to more accurately cover the costs of the fee earning aspects of the Building Control service provided by the Council as part of our annual review of the fees schedules.

1.1 Background

- 1.1.1 On the 1 October 2010 the Building [Local Authority Charges] Regulations 2010 came into force. The key principle of the Regulations was to ensure optimum cost recovery of the service on a 'user pays' basis, ensuring that the customer pays the cost of the service delivered, no more, no less. Local Authorities are encouraged to cover all of their 'fee earning' costs in this way, recognising that there are other aspects of Building Control activity (such as work related to dangerous structures and enforcement issues) that are not recoverable.
- 1.1.2 As a consequence of this requirement the statutory fee structure was no longer fit for purpose. Equally, provision of a dedicated quoting system for every application received would have been a considerable administration burden. Consequently, a new fee scheme and schedule was developed and adopted utilising fixed fees for standard work types and enabling fee quotation on larger or more unusual work types.
- 1.1.3 It has now been two years since the introduction of these charges and a year since a further minor revision. The opportunity has been taken to review how the cost of administering applications has worked in practice, in relation to the fees charged. We have now carried out some more detailed working in order to assess more accurately the costs of our service and the level of fee required to recover the cost on an application by application basis. Consequently, it is proposed that the charges be amended in accordance with the attached fee scheme and schedule to reflect cost recovery.

- 1.1.4 The new fees proposed represent an increase in respect of some works but in some areas there is a slight decrease or no change. The overall picture represents a fair reflection of the cost of providing the service for each type of project. These costs are met by the beneficiary of the service, which are those developers or private parties undertaking construction work. In overall terms the fee levels are a small fraction of the cost of development projects and in any event it seems appropriate that those directly benefitting from the service are required to pay the properly calculated amount.
- 1.1.5 In setting the fees we have also to be mindful that in Building Control we operate in competition with Approved Inspectors in the private sector who are able to carry out Building Control work. I am satisfied that the fee scales set will retain the balance of properly recovering costs against the need to maintain our competitiveness. Some comparison with some other authorities has also been carried out to gauge the general level of fee scales and this puts us in relatively close order, which seems appropriate.
- 1.1.6 The proposed charging schedules are set out at **Annex 1**.
- 1.1.7 Whilst reviewing the charging regime, analysis is also being undertaken of other aspects of service provision and how the team must continually adapt to developing threats and opportunities in this service sector. The proposed changes to the charging scheme are just one facet of the continuing service development.
- 1.1.8 As Members will know we have moved to a shared management arrangement with Sevenoaks District Council and that regime is paying dividends in terms of sharing and learning on aspects of the business process. I intend that we will continue to work on efficiencies in the way we deliver aspects of the service. We are also currently seconding a Building Control Surveyor to Sevenoaks which is another example of the opportunities for joint working that improve resilience and help manage the balance between resources and workloads, which is particularly important during a time of changing workloads and uncertainty in the construction market.

1.2 Legal Implications

- 1.2.1 The approach to setting fees for Building Control fees is set out in the Building (Local Authority Charges) Regulations 2010.

1.3 Financial and Value for Money Considerations

- 1.3.1 It is critical that the Council continuously reviews how it recovers the cost of services, particularly where provision is specifically made to do so. In this case, assuming that current workload trends remain broadly the same, I estimate that the annual effect of the proposed fee scheme would represent an increase in income in the region of £25,000.

1.4 Risk Assessment

- 1.4.1 The risk of not seeking to fully recover costs puts the Council at a financial disadvantage in supporting the resources required to deliver the service. On the other hand we are mindful of the need to retain our market share in the Building Control business.

1.5 Equality Impact Assessment

- 1.5.1 See 'Screening for equality impacts' table at end of report

1.6 Recommendations

- 1.6.1 That the revised scheme for the Recovery of Building Regulation Charges and Associated Matters (Annex 1) and the Charges for Building Control Applications as detailed in Annex 2 be approved and adopted from 1 March 2013.

Background papers: Nil

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Screening for equality impacts:		
Question	Answer	Explanation of impacts
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	No	The Regulations make provision for dispensations in connection with projects such as disabled adaption of properties and related works
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	No	See above
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		

In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.