

TONBRIDGE & MALLING BOROUGH COUNCIL
FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

04 January 2017

**Report of the Director of Planning, Housing and Environmental Health and the
Director of Finance and Transformation**

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 Partnership service 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 considered no longer fit for purpose. Equally, provision of a dedicated quoting system for every application received would have been a considerable administration burden. Consequently, in 2013 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 In October 2014 we entered into a Partnership arrangement with Sevenoaks DC to provide the Building Control service for both authorities. The Partnership comprises of a shared BC Manager, team of BC Surveyors and administration officers located across both council offices.
- 1.1.4 It has now been four years since the introduction of the new charging scheme and over two years of operating as a Partnership. 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 carried out some 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 schedule to reflect cost recovery, which are set out at **[Annex 1]**.

- 1.1.5 The new fees proposed represent an increase in respect of some works but in some areas there is 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.
- 1.1.6 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 proposed fee scales 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. Just for reference the current year fees can be found by following this link:
https://www.sevenoaks.gov.uk/_data/assets/pdf_file/0011/179741/Revised-Building-Control-Fees.pdf
- 1.1.7 Whilst reviewing the charging regime, analysis has also been undertaken of other aspects of service provision and how the team must continually adapt to developing threats and opportunities in this service sector such as investing in mobile working technology to bring about improved productivity and customer service. The proposed changes to the charging scheme are just one facet of the continuing service development.
- 1.1.8 In July 2016 a Building Control Surveying Apprentice post (employed by SDC) was created with a view to training and developing a junior officer in readiness for a vacancy, which is likely to occur due to the potential retirement of a Building Control Surveyor over the next 12-36 months. This initiative was pursued in the light of our recent experience of the national shortage of qualified surveyors and concern that we will be unable to recruit a suitably qualified surveyor with the appropriate skills. We propose to recruit to an apprentice in Summer 2017 in line with the academic year and the new fees and charges will cover the cost of the post.
- 1.1.9 I should also make Members aware that the post of Building Control Partnership Manager is soon to become vacant. The excellent contribution and efforts of our current Manager have been critical to the successful start-up and good performance of the partnership to date. This post is also hosted by Sevenoaks DC and in reviewing recruitment, the job has been re-evaluated resulting in an increased cost of approximately £5000 which will also be covered by the proposed fees and charges.

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 £36,000 across the Partnership which will cover the increase in providing the service. Direct costs associated with the Partnership are pooled and shared between the authorities on the basis of income generated by each authority and equates to a 45:55 split TMBC:SDC.

1.4 Risk Assessment

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 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act.

1.6 Recommendations

- 1.6.1 It is recommended that the revised Building Control Charges as detailed in **[Annex 1]** be **APPROVED** and **ADOPTED** from 1 April 2017.

Background papers:

Nil

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