

**TONBRIDGE & MALLING BOROUGH COUNCIL**

**FINANCE, INNOVATION AND PROPERTY ADVISORY BOARD**

**09 January 2019**

**Report of the Director of Central Services & Monitoring Officer**

**Part 1- Public**

Matters for Recommendation to Cabinet - Key Decision

**1 PROPOSED 3% SURCHARGE ON BUILDING CONTROL STANDARD CHARGES**

**Summary: This report sets out the context for the proposed increase in Building Control Fees**

**1.1 Introduction**

1.1.1 The Building Control Service is provided through a partnership arrangement with Sevenoaks District Council, overseen by a Management Board. The purpose of this report is to propose an overall fee increase of 3% for the Building Control Partnership standard charges

**1.1.2 Key principles**

1.1.3 The Building (Local Authority Charges) Regulations 2010 require local authorities to ensure that the prices charged by the service is an accurate reflection of the costs of carrying out the chargeable building control functions and for giving chargeable advice relating to the Building Regulations.

1.1.4 The Regulations require authorities to achieve full cost recovery on their building regulation chargeable work. However, charges should not be increased above the level of the costs of providing a service under the Building Regulations. The Regulations identify standard and individual charges that, in turn, should reflect the cost of the service on individual building projects in accordance with the 'user pays' principle.

1.1.5 Authorities can set standard charges and individually determined charges at a local level. Individually determined charges are calculated on a scheme-by-scheme basis.

1.1.6 The use of standard charges should be limited to the types of building work where it is possible to estimate the amount of Building Control input required for a particular type of Building Regulation application. Standard charges can be challenged, therefore it is important that the evidence base that sits behind the

standard charges schedule is robust and uses the authority's hourly rate and input time.

- 1.1.7 The overriding objective in the Charges Regulations requiring local authorities to achieve full cost recovery in the setting of their charges is stated in paragraphs 31 to 38 of the CLG Circular letter. The fundamental principle of Regulation 6 is that the authority must ensure that the income derived by the local authority from performing chargeable functions and providing chargeable advice year to year equates, as far as possible, to the costs incurred by the authority in providing these services

## 1.2 Financial and Value for Money Considerations

- 1.2.1 The Building Control Standard Charges cover the majority of work undertaken by the Building Control Partnership (BCP) and has been effective in recovering Building Control costs. However, they were last increased on 1 April 2017 and, in accordance with legislation and guidance, it is appropriate to consider an increase in fees in order to achieve appropriate cost recovery for the year 2019/2020.
- 1.2.2 The predicted income for 2018-19 is £377k and a 3% increase would raise income by £11k, giving a predicted income total of £388k for 2019/2020. This would maintain a small surplus on the Building Control Chargeable account based on current economic activity.

|      | Full Plans rec'd | Building Notice rec'd | Regularisation |
|------|------------------|-----------------------|----------------|
| 2016 | 388              | 395                   | 26             |
| 2017 | 467              | 404                   | 35             |
| 2018 | 408              | 422                   | 28             |

Table 1: TMBC Building regulation applications

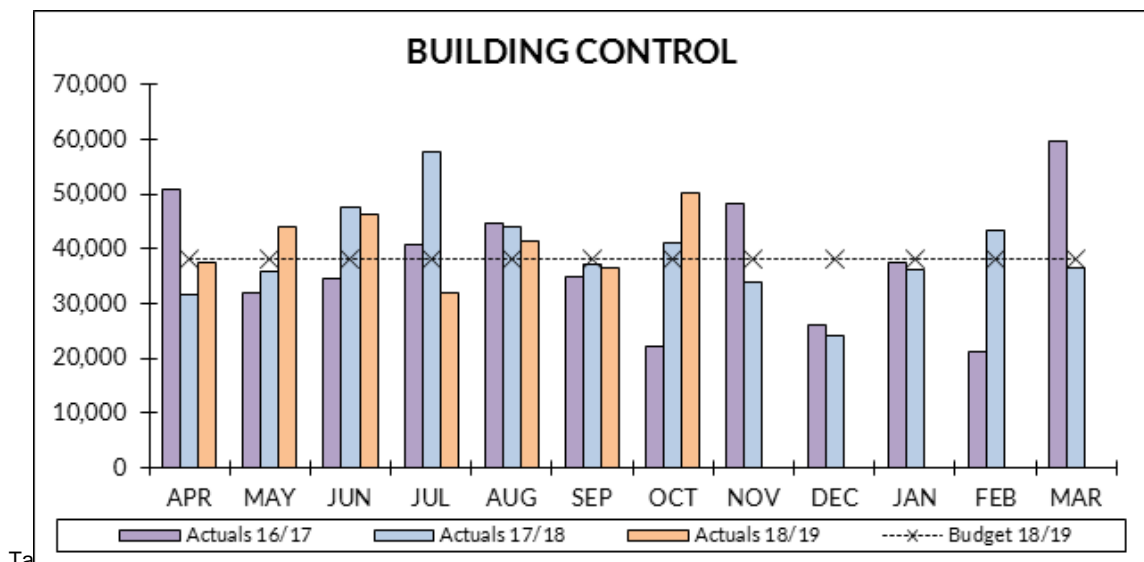


Table 2: TMBC Building Control income

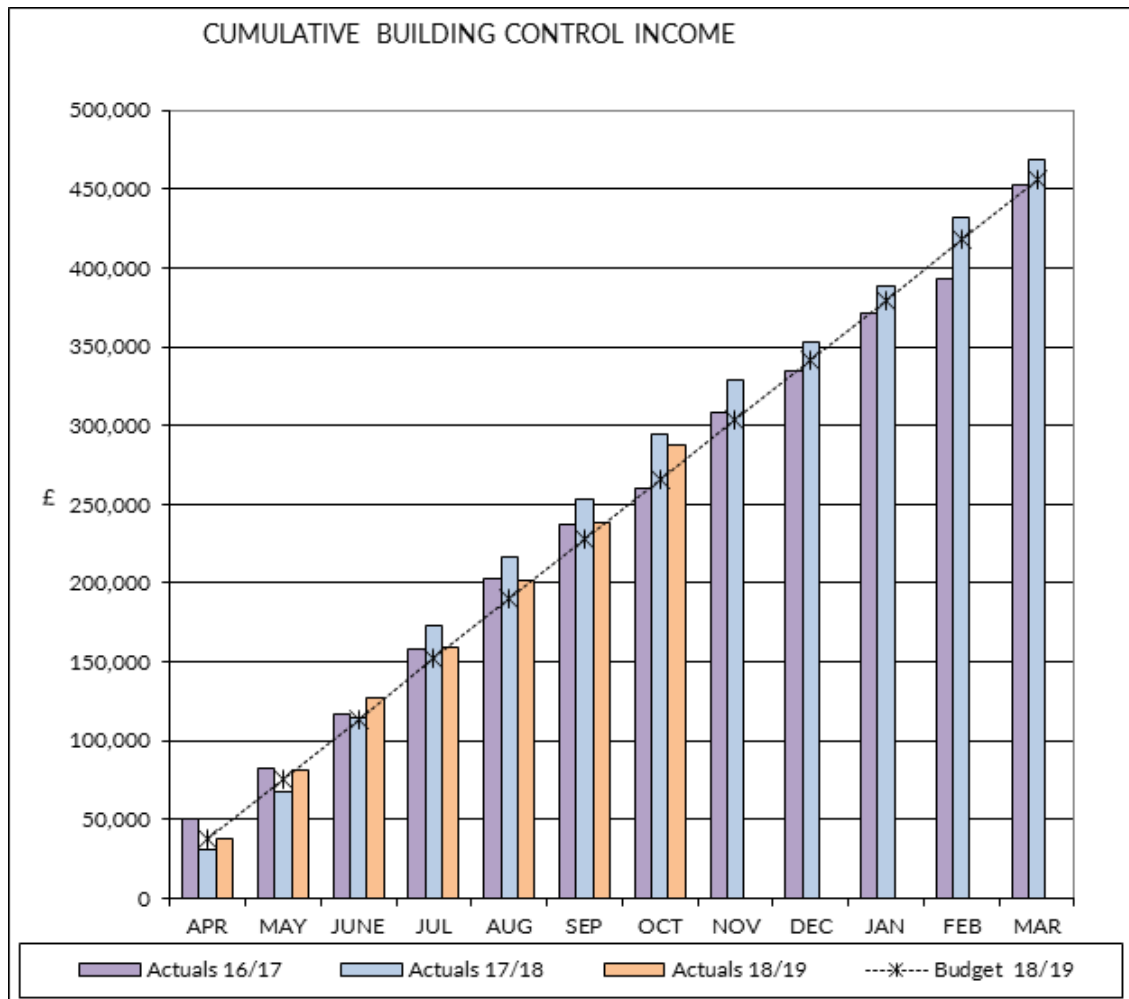


Table 3: TMBC Building Control cumulative income

### 1.3 Legal Implications

1.3.1 The Building (Local Authority Charges) Regulations 2010 (S.I. 2010/404) makes provision for local authorities in England and Wales to fix their own charges in a schedule, based on the full recovery of their costs for carrying out their main Building Control functions relating to the Building Regulations.

### 1.4 Financial and Value for Money Considerations

1.4.1 The Building Control Standard Charges should be reviewed every year and the evidence base updated. This will ensure that we are responsive to the needs of the customer and that the charging schedule is fairly applied.

### 1.5 Risk Assessment

- 1.5.1 The 'break even' position should be assessed each year to ensure that income, as nearly as possible, equates to costs and is based on up to date evidence.
- 1.5.2 Local Authority Building Control is in competition within the Building Control marketplace and increased fees could result on clients opting to use private Approved Inspectors (instead of the local authority) for their building projects. It is therefore important to ensure that the Building Control Service continues to operate efficiently and provide value for money for the customer.

## **1.6 Equality Impact Assessment**

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

## **1.7 Recommendations**

- 1.7.1 At present it is considered that a prudent approach would be to aim increase fees by 3%. The proposed fees scales for year 2019/2020 are attached as Appendix A with the existing fee scales for 2017/2018 attached as Appendix B.
- 1.7.2 The proposed changes to the Standard Charges would reflect the current cost of the works supervised by the Building Control Partnership.

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Background papers:  
Nil

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