

TONBRIDGE & MALLING BOROUGH COUNCIL
PLANNING and TRANSPORTATION ADVISORY BOARD

11 November 2020

Report of the Director of Planning, Housing and Environmental Health

Part 1- Public

Matters for Recommendation to Cabinet - Key Decision

1 REVIEW OF BUILDING CONTROL FEES FOR 2021/22

1.1 Current position

- 1.1.1 The Building Control Shared Service is currently provided through a partnership arrangement with Sevenoaks District Council (SDC), overseen by a Partnership Board of senior officers from both organisations.
- 1.1.2 Following internal discussions at SDC regarding their role in various service partnerships, they have decided to give TMBC notice that they wish to dissolve the partnership. The two organisations are keen to work together to make the transition as smooth as possible and to ensure that both parties can continue to deliver high quality Building Control services. A full assessment of service requirements is being undertaken and the necessary reports will be presented to Members on revised structures, via General Purposes, and the Building Control Business Plan, via this Board, over the coming months, with the intention being that the new TMBC structure can be in place by 31 March 2021 to allow the partnership to cease. This assessment will consider all options for service delivery including other partnership options.
- 1.1.3 The purpose of this report is to propose the Building Control fee tables for 2021/22 for TMBC only.
- 1.1.4 The graphs below provide performance data for the partnership over the past few financial years. As is to be expected given lockdown earlier in the year and the pace of recovery of the construction sector have had a significant impact on activity and income.

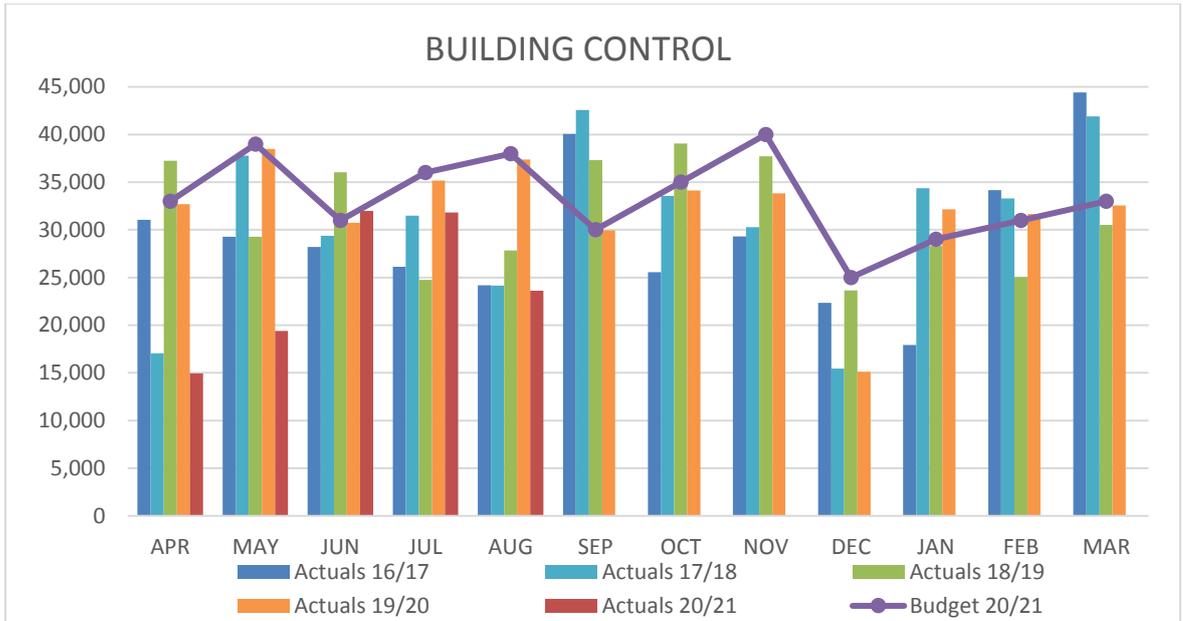


Figure 1 - TMBC monthly Building Control income

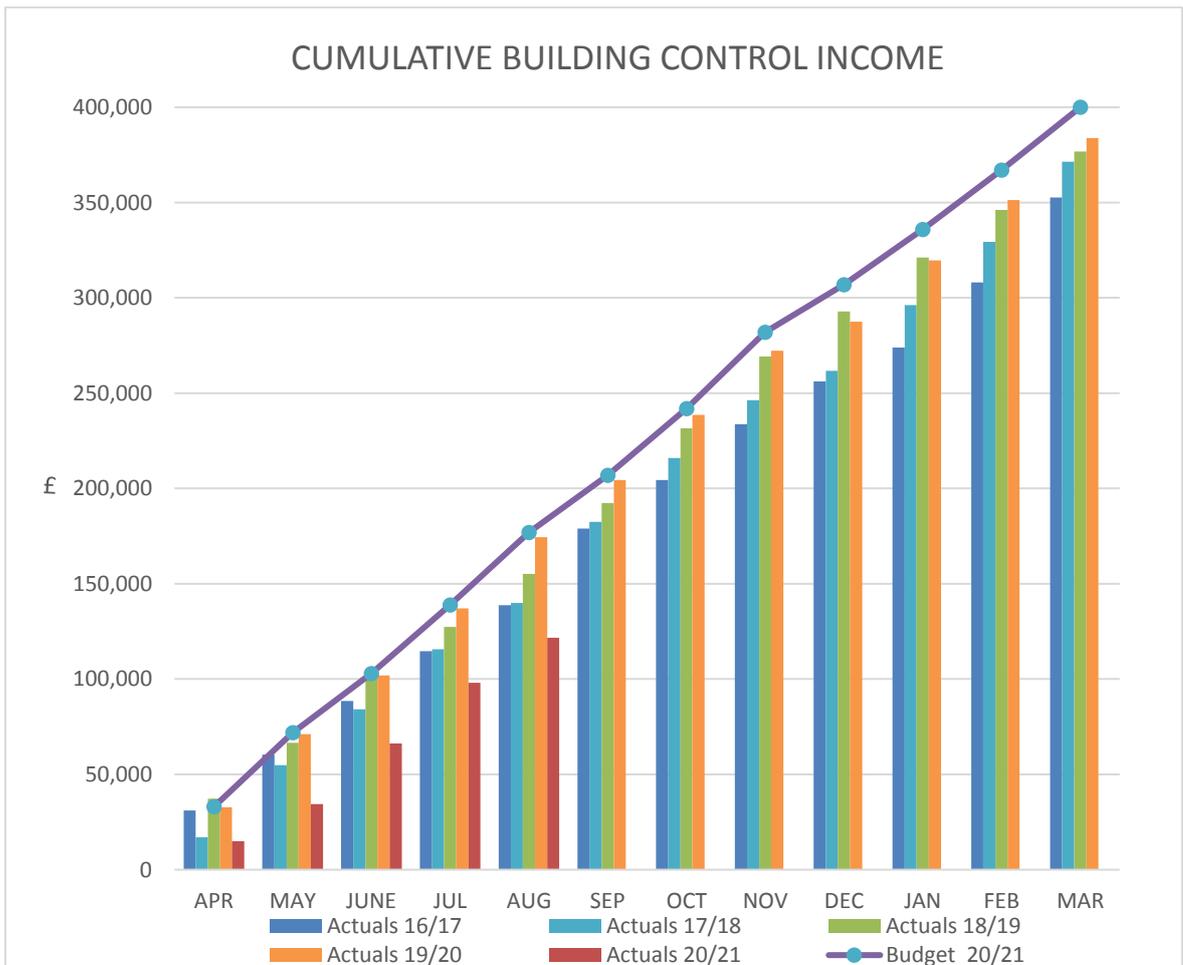


Figure 2 - TMBC cumulative Building Control income

1.2 Building Control Fees

- 1.2.1 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.
- 1.2.2 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.
- 1.2.3 Authorities can set standard charges and individually determined charges at a local level. 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. Quotes are provided to clients for individually determined charges, which are calculated on a scheme-by-scheme basis based on an hourly rate.
- 1.2.4 Building Control charges can be challenged by clients, therefore it is important that the evidence base that sits behind the charges schedule is robust and relates to the actual costs of carrying out the main building regulation function.
- 1.2.5 The overriding objective in the Charges Regulations requires local authorities to achieve full cost recovery in the setting of their charges. Income derived by the local authority from performing their 'chargeable functions' should equate as far as possible, to the costs incurred by the authority in providing these services.

1.3 Review of chargeable services

- 1.3.1 At present, officers do not consider that there is a suitable baseline to make any significant changes to fee levels. The reasons for this are twofold; firstly the baseline information on chargeable services is currently at a partnership level and secondly, activity to time monitor activity and review the split between chargeable and other services had been proposed to be undertaken in detail in early 20/21 and due to COVID-19 this work has not taken place.
- 1.3.2 On this basis, it is therefore proposed to utilise the current BC Partnership tables with an inflationary rise of 1% as the basis for the TMBC 2021/22 fees.
- 1.3.3 As part of the 2021/22 Building Control business plan, which will be presented to this Board in February 2021, there will need to be a review of building control services in accordance with CIPFA Local Authority Building Control Accounting Guidance to ensure that the correct percentage split is being applied between chargeable services and non-chargeable services (such as dangerous structures inspections). The review will provide an evidence base to inform changes to fees

in future financial years to ensure charges achieve full cost recovery and users only pay for the service they receive. This will provide a basis for fee proposals for the 21/22 financial year.

1.4 Legal Implications

1.4.1 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.

1.5 Financial and Value for Money Considerations

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

1.5.2 Building Control has seen a reduction of income due to COVID-19 compared to the previous year resulting in a £62,000 drop in income and therefore the income estimate for the year has been reduced from £400,000 to £290,000 to take account of this drop but also the increase in service demand more recently as building work recommences.

1.6 Risk Assessment

1.6.1 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.

1.6.2 There is a risk that as a result of the COVID-19 pandemic and the possibility of an economic recession in spring 2021 that Building Control income may continue to remain deflated despite the inflationary increase proposed.

1.6.3 Local Authority Building Control is in competition with private sector building control and increased fees could result in clients opting to use private Approved Inspectors (AIs) instead of the local authority for their building projects. It is therefore important to ensure that the Building Control Service operates efficiently to maintain a competitive fee structure and provide value for money for the customer.

1.7 Equality Impact Assessment

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

1.8 Policy Considerations

1.8.1 N/A

1.9 Recommendations

- 1.9.1 Members are **RECOMMENDED** to **AGREE** a 1% increase to the Building Control Charges from the 1 April 2021 as per the list of Building Control fees attached at **Annex 1**.

Background papers:

Nil

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