

TONBRIDGE & MALLING BOROUGH COUNCIL
FINANCE, INNOVATION & PROPERTY BOARD

12 January 2022

Supplementary Report of Management Team

Part 1- Public

Matters for Recommendation to Cabinet - Key Decision

1 REVIEW OF FEES & CHARGES 2022/23 – BUILDING CONTROL

This report brings forward, for consideration as part of the budget setting process for 2022/23, proposals in respect of building control fees.

1.1 Current position

1.1.1 The Building Control Service returned to a wholly in house service at TMBC in the summer of 2021, following a period of partnership with Sevenoaks District Council. This was a staged process to ensure that all relevant data was transferred and that knowledge sharing could continue throughout the transition. Staffing proposals were agreed by Members in early 2021 and implemented in July 2021. The two Councils have agreed to maintain a shared out of hours Building Control service for dangerous structures call outs, to ensure resilience across the two authorities.

1.1.2 The transition has not been without challenges. There was a huge amount of data to transfer back to TMBC and a set of complex tasks relating to the software system, Uniform, to be completed. For a time, the BC team were working on both SDC and TMBC systems and this caused some operational delays. The technical support function for Building Control was run entirely at SDC during the partnership and the Planning Technical team has been augmented by some additional, specific Building Control roles to ensure service delivery. In addition, Finance colleagues agreed a longer transition period with SDC regarding invoicing and debt, so that tasks could be spread out over a longer time period. These tasks have been managed alongside day-to-day workloads and caseloads and have proven at times to be extremely time consuming, given the need to ensure that TMBC has everything it needs to competently run the Building Control Service in house.

1.1.3 The purpose of this report is to propose the Building Control fee tables for 2022/23 for TMBC only.

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 with last year's report, 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 due both to the transition activity discussed above and COVID-19/Exiting the EU impacting on the building trade and therefore service delivery. Secondly, the work to time monitor activity and review the split between chargeable and other services is a detailed project, which will require input from BC officers, finance colleagues and others. Given the transition activity that has been underway, it has not been feasible to complete this work as planned in the current financial year.
- 1.3.2 On this basis, it is therefore proposed to utilise the current BC Partnership tables with an inflationary rise of 2% as the basis for the TMBC 2022/23 fees.
- 1.3.3 As part of the next Building Control business plan, which will be presented to the Planning & Transportation Advisory Board in due course, 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 next 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. The proposed approach to this for TMBC is laid out earlier in this report.
- 1.5.2 At the end of December 2021, income was tracking at 1% above revised estimate (original estimate of £404k, revised £415k, tracking at £419k to year end).
- 1.5.3 The proposed fee increases are all at c.2% to allow for rounded figures to be published.

1.6 Risk Assessment

- 1.6.1 There is a risk that as a result of the COVID-19 pandemic and the UK's Exit from the EU, Building Control income may continue to see fluctuations despite the inflationary increase proposed. The opportunity however is in the number of household conversions that are taking place at present, although of course the service has no influence over how long this will continue at current levels.
- 1.6.2 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 Business Continuity/Resilience

1.9 Recommendations

- 1.9.1 Members are **RECOMMENDED** to **AGREE** a rounded 2% increase to the Building Control Charges from the 1 April 2022 as per the list of Building Control fees attached at **Annex 1**.

Background papers:

Nil

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