

COUNCIL – 12 APRIL 2016

BUILDING CONTROL FEES

REPORT OF DEPUTY CHIEF EXECUTIVE (COMMUNITY DIRECTION)



Hinckley & Bosworth
Borough Council

A Borough to be proud of

WARDS AFFECTED: ALL WARDS

1. PURPOSE OF REPORT

- 1.1 To seek approval from Council for delegated powers to be granted to the Executive Member for Planning and the Executive Member for Finance, ICT & Asset Management in conjunction with the Deputy Chief Executive (Community Direction) to set building control fees for 2016 -17.

2. RECOMMENDATION

- 2.1 That Council approves the recommendation to allow the Executive Member for Planning and the Executive Member for Finance, ICT & Asset Management in conjunction with the Deputy Chief Executive (Community Direction) to set fees for chargeable building control work for the year to 31 March 2017 to allow implementation of fees from June 2016. Charges for future years (from 1 April 2017) will be presented to Council as part of the Scale of Fees and Charges.

3. BACKGROUND TO THE REPORT

- 3.1 The council has powers under the Building (Local Authority Charges) Regulations 2010 (formerly the 1998 Building (Local Authority Charges) Regulations) (“The Regulations”) to set its own fees for applications and notices that are submitted under the building regulations. These regulations are based around the principle that a Local Authority should fix its charges by setting out a schedule, which should be based on cost recovery. It is also on the basis that the user should pay for the actual service they receive. An authority is not permitted to make a ‘profit’ from charges. Nor may the service be subsidised by other income.
- 3.2 The Regulations allow an authority to charge for providing advice relating to their building control functions. They also allow the option of setting standard charges or making individual determinations of charges. Local authorities must keep costs to a minimum to make sure that charges are affordable and competitive. They must not be set artificially low to win business from competitors (external Approved Inspectors). Charges should also not be set at a level that would encourage people to circumvent the regulations. Councils have the power to amend, revoke or replace any charging scheme they introduce, subject to providing notice to service users for a minimum of seven days.
- 3.3 Local authority building control services operate functions that are both chargeable and non-chargeable. This report relates specifically to chargeable functions, which comprise:
- Checking plans
 - Carrying out inspections of building work in connection with plans
 - Checking and inspecting work covered by building notices
 - Reversion applications
 - Regularisation applications.

- 3.4 Local authorities are required under the Regulations to review their charges at the end of each financial year. This review should take account of any surpluses and deficits made in earlier years. The intention is that over a reasonable period of time (normally three to five years), income matches costs. Local authorities must not use building regulations surpluses to fund other council services. However, they may use surpluses to invest in improving the quality of the chargeable building control service.
- 3.5 To calculate the charge, local authorities are required to calculate the hourly rate of their building control officers to the time spent carrying out their chargeable functions. The charge becomes the average hourly rate multiplied by the number of hours spent on individual or types of building projects.
- 3.6 Work is currently underway to calculate the hourly rate of officers carrying out chargeable building control work. Task monitoring work is also underway to determine the amount of time spent on each chargeable function. This will allow a charging schedule to be introduced in the summer 2016. While these calculations are still underway, it is likely that there will be a modest increase to the hourly rate compared with the 2011 figure.
- 3.7 To ensure that the service is able to introduce an up to date charge for the 2016-17 financial year, to comply with the 2010 regulations, delegated powers are sought to allow the Chief Planning and Development Officer to calculate, publicise and set fees for chargeable building control work for the year to 31 March 2017. For future years, the chargeable rate will be set out in the council's Scale of Fees and Charges that will be presented to Council before the start of each financial year.

4. FINANCIAL IMPLICATIONS [TF]

- 4.1 The budgeted income for 2016/17 is £224,450 and the updating of the charges will assist in meeting this target.
- 4.2 The anticipated increase to the building control charge can not be accurately ascertained until the task monitoring exercise mentioned in paragraph 3.6 has been completed.
- 4.3 The legal team are planning to clarify whether there are implications from not updating the building control fees yearly. Officers will ensure this is completed before this report is presented to members. Any financial implications will have to be dealt with in line with financial procedure rules.

5. LEGAL IMPLICATIONS [MR]

- 5.1 Section 101 Local Government Act 1972 permits the Council to delegate the carrying out of its functions to an officer.
- 5.2 The Constitution allocates certain functions re building control under the 'Culture Development and Regeneration Portfolio' but doesn't make any specific reference to the setting of fees.
- 5.3 All committees have power to manage their services within the approved budgets and to approve fees and charges.
- 5.4 It would seem acceptable that the Council could in principle delegate to an officer the setting of fees and charges.
- 5.6 The Regulations require the Council to review its charges at the end of each financial year for the purpose of achieving the overall objective. When setting its charges for a

particular financial year the Council must take account of surpluses and deficits made in earlier years.

- 5.7 The overriding objective is to ensure that taking one financial year with another the income from charges as nearly as possible equates to the costs incurred of carrying out the building regulation function.

6. CORPORATE PLAN IMPLICATIONS

- 6.1 Providing Value for Money – the regular review of building control fees will allow the service to remain competitive and respond to changing market conditions.

7. CONSULTATION

- 7.1 When the charges have been calculated, they will be publicised for a minimum of seven days to comply with the 2010 regulations.

8. RISK IMPLICATIONS

- 8.1 It is the Council’s policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

- 8.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer’s opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

- 8.3 The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
Loss of work to Approved Inspections	Being able to set building control fees at a level that is competitive.	Jonathan Lee

9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

- 9.1 Introducing a power to set and regularly review building control fees would ensure compliance with the 2010 regulations by ensuring that only the user pays for the service. This ensures that others who are not using the service do not subsidise the cost of dealing with building regulations matters.

- 9.2. The 2010 regulations include provision to allow charges to be waived for building control work relating to applications providing accommodation for disabled people.

10. CORPORATE IMPLICATIONS

- 10.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Procurement implications
- Human Resources implications

- Planning implications
 - Data Protection implications
 - Voluntary Sector
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Background papers: Building (Local Authority Charges) Regulations 2010
Building (Local Authority Charges) Regulations 1998

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