

Report to Portfolio Holder for Sustainable Growth and Economy

Subject: Building Control (Commercial) Fees and Charges 2023/24

Date: 20 March 2023

Author: Principal Building Control Officer

Wards Affected

Borough-wide

Purpose

The report details a revised set of Fees and Charges for the Building Control Service, and seeks approval for their introduction from 1st April 2023.

Key Decision

This is not a Key Decision

Recommendation(s)

- a) To approve the revised Fees and Charges for 2023/24 as detailed in Appendix 2**
- b) To approve the price revisions to be introduced from 1 April 2023.**

1 Background

- 1.1 Building Control has to maintain separate accounts in relation to fee earning commercial activities and non-fee work.
- 1.2 A 5% income inflation increase for discretionary income has been agreed by Cabinet for 2023/24. This was the optimum figure in terms of generating

additional income from Fees and Charges to support a balanced budget

- 1.3 With Portfolio Holder and relevant Corporate Director approval, discretion can be made to apply varying percentage increases or freezes to relevant Fees and Charges as long as the overall cash amount for that area are met. This allows consideration to be made for factors that influence the rate at which fees and charges are set. These factors include:

The Borough's priorities.

The comparative price of neighbouring authorities.

The effect an increase in price would have on the activity, including customer resistance.

The cost benefit of the service.

The cost of carrying out compliance visits and inspections.

- 1.4 Following the year end estimate for 22/23, the commercial fees account is likely to be in deficit by approximately 15%. This account is based on a cost recovery business case and must break even on a three-year rolling basis. The fees, therefore, need to be increased by 15%. Separately, other measures are being considered to reduce costs and increase the market share, to ensure a three year break even position.

2 Proposal

- 2.1 It is proposed that the Building Control application fees are revised as detailed in Appendix 1. The proposal is a 15% increase on the Building Control hourly rate which will increase from £68.56 to £78.84. This will affect all building regulation application charges. It is recommended that these be introduced on 1 April 2023.
- 2.2 The proposed increase is calculated to cover the forecasted deficit in 2022/23 and achieve a breakeven position in 2023/24. Income and prices will be reviewed during 2023/24 to ensure the service continues to break-even over the required 3 year accounting period.
- 2.3 The fees charged by the Approved Inspectors (private sector) are unknown and it has not, therefore, been possible to undertake any benchmarking. However, given current inflationary pressures, it is considered that the service will still be competitive in the local market.

3 Alternative Options

- 3.1 An alternative percentage increase for inflation could have been applied or no increase at all. This however would not have been in consideration of

the proposed Medium Term Financial Plan or current CPI inflation measures.

4 Financial Implications

- 4.1 Applying the proposed Fees and Charges detailed in this report seeks to ensure full cost recovery and the required a breakeven position in 2023/24.

5 Legal Implications

- 5.1 The fee-earning account is based on a cost recovery business case and must break even on a three-year rolling basis. Fees and charges must be reviewed each year in alignment to the approved budget to ensure that this break-even position is met. This is based on the requirements of The Building (Local Authority Charges) Regulations 2010.

6 Equalities Implications

- 6.1 There are no known equalities implications relating to Building Control fees and charges.

7 Carbon Reduction/Environmental Sustainability Implications

- 7.1 None

8 Appendices

- 8.1 Appendix 1_Commercial BC Fees April 2022_Current
Appendix 2_Commercial BC Fees April 2023_Proposed

9 Background Papers

- 9.1 None identified

10 Reasons for Recommendations

- 10.1 To contribute to the delivery of a balanced budget both in 2023/24 and in the medium term, and satisfy statutory requirements.

Statutory Officer approval

Approved by:

Date:

On behalf of the Chief Financial Officer

Approved by:

Date:

On behalf of the Monitoring Officer