

Report to Portfolio Holder for Sustainable Growth and Economy

Subject: Building Control (Commercial) Fees and Charges for 2024/25

Date: 15 February 2024

Author: Building Control Manager

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 01 April 2024.

Key Decision

This is not a Key Decision.

Recommendation(s)

- a) To approve the revised Fees and Charges for 2024/25 as detailed in Appendix 2.**
- b) To approve the price revisions to be introduced from 01 April 2024.**

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% minimum income inflation increase for discretionary income has been agreed by Cabinet for all discretionary portfolio areas for 2024/25.

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 2022/23, approval was given by the Portfolio Holder for Sustainable Growth and Economy for the commercial account fees to be increased by 15%, as the account was likely to be in deficit in the 2023/24 financial year. The cost recovery hourly rate was increased from £68.56 to £78.84 with effect from 01 April 2023.

- 1.5 Since this hourly rate has been increased, a further review has now been undertaken to understand whether the fee earning hours for each category of development is correct. This analysis has identified that the number of inspections from a Building Control Officer required for a small householder extension of less than 20sqm is no different to a larger extension, exceeding 20 sqm. The analysis has also highlighted that the fixed fee currently charged for multiple extensions does not accurately reflect our costs. Where multiple works are being carried out at the same time, charging 50% of the lower fee for the additional works more accurately reflects our actual costs. It has also been established that additional inspections beyond inspection plans are undertaken, and staff are spending additional time reviewing cases when mothballed for 12 months or more.

- 1.6 Benchmarking data is important when setting fees and charges. However, this service must break even on a three-year rolling basis. For information purposes, comparisons are attached at Appendix 3.

2 Proposal

- 2.1 It is proposed that the hourly rate is increased by 5% and the following changes are made to the fee schedule:

- Remove the charge for an extension of up to 20m².
- Add a new charge for extensions up to 10m².

- Apply the existing charge for an extension of up to 20m² to all extensions exceeding 10m².
- For extensions over 100m², the charge will be calculated on the hourly rate of £82.78.
- Delete the fixed fee for multiple extensions and introduce a 50% discount for of the lower fee for the additional works.
- Apply the hourly rate of £82.78 to any inspection works undertaken in addition to inspection plans.
- Apply the hourly rate of £82.78 to any case where the Council has not inspected in the past 12 months to cover the costs of reviewing the case file, with a minimum charge of 1 hour.

3 Alternative Options

- 3.1 In accordance with legislation, the changes must not exceed the cost of providing the service on a three-year rolling basis. An alternative option is to make no changes to the fee schedule. This is not proposed as it has now been identified that some inspection work is not cost recovery.

4 Financial Implications

- 4.1 Applying the proposed Fees and Charges detailed in this report seeks to ensure full cost recovery on the basis of the existing permanent establishment. The proposals would not cover agency costs. A permanent solution to eliminate agency costs and provide longer term service resilience is however being explored.

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 The Equality Impact Assessment can be found in Appendix 4.

7 Carbon Reduction/Environmental Sustainability Implications

- 7.1 None

8 Appendices

- 8.1 Appendix 1: Commercial BC Fees April 2023_Current

Appendix 2: Commercial BC Fees April 2024_Proposed

Appendix 3: Benchmarking Data.

Appendix 4: Equality Impact Assessment.

9 Background Papers

9.1 None identified.

10 Reasons for Recommendations

10.1 To contribute to the delivery of a balanced budget for 2024/25 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