

Report to Cabinet

24 September 2020

By the Cabinet Member for Planning and Development

DECISION REQUIRED



**Horsham
District
Council**

Not Exempt

Update to Building Control Charges Scheme

Executive Summary

Local Authorities must prepare and publish a charging scheme in respect of Building Control functions in accordance with the relevant regulations. This scheme should be kept under review and charges adjusted to reflect the current level of costs. It is expected that the income from charges covers the costs of chargeable functions.

The current Scheme was published in October 2017 and an increase in charges is now justified to maintain cost recovery in line with the Regulations.

Recommendations

Cabinet is recommended to:

- i) Recommend to Council that the revised Charges Scheme as set out in Appendix A is approved.

Reasons for Recommendations

- i) To ensure Building Control Charges are able to cover the costs associated with the relevant functions and kept in line with inflation

Background Papers

- Calculation of productive hourly rates 2021

(Note: the documents listed are required to be kept by the report author and to be available for public inspection, unless they are confidential or exempt, for 4 years from the date of the decision).

Wards affected: All.

Contact: Stephen Shorrocks, Head of Building Control, x5152

Background Information

1 Introduction and Background

- 1.1 Local Authorities are authorised under the Building (Local Authority Charges) Regulations 2010 to charge those carrying out building work and building owners for carrying out certain functions under The Building Act 1984 and the Building Regulations 2010.
- 1.2 Local Authorities must prepare and publish a charging scheme in respect of the charges it makes and charges must be set at a level that ensures, taking one financial year with another, that the income from charges equates to the costs that it incurs in providing chargeable functions and advice.
- 1.3 Charges are to be based on the hourly rate at which the time of officers of the authority will be charged.
- 1.4 The current Charges Scheme was published in 2017 and the applicable hourly rate was £55.
- 1.5 The reviews for 2017/18 and 2018/19 did not warrant any change to the current charges. However the results for 2019/20 did show a reduction in chargeable income and subsequently an increase in costs.
- 1.6 It was originally proposed that a new charges scheme would be published for April 2020 but this was delayed due to the impact of the Covid 19 pandemic and the reduction in economic activity around the construction industry. It is now considered appropriate to review the charges scheme again and introduce new charges based on a calculated hourly rate of £59.
- 1.7 If annual inflation rates had been applied over the past 3 years the hourly rate would be £58.70 so the increase is in line with a consolidated inflation figure. The average increase for charges for domestic applications where standard charges apply is around 7%.
- 1.8 It is also proposed to make some minor tweaks to the actual charges schedule to introduce the following changes
 1. Increase the number of hours charged for a single storey extension under 15m² by 0.5 hours to more accurately reflect the time spent on this category.
 2. Introduce an additional charge for applications submit by post or with cheques to cover the additional administration costs.
 3. Introduce a charge for resurrecting archived applications where the works have not been inspected for over 3 years.

2 Relevant Council policy

- 2.1 Para. 5.3.4 of the 2019-2023 Corporate Plan sets out the principle that the Council will “*Continue to manage our finances prudently and identify new sources of revenue to balance our budgets as funding from central government reduces*”
- 2.2 The key principles of the building control charges scheme is full cost recovery for chargeable services and that the user should pay for the actual service they receive. Local Authorities should make every effort to ensure that charges remain affordable and competitive and do not encourage people to circumvent the building regulations.
- 2.3 The new charging scheme reflects these objectives in setting the chargeable rate at the level proposed.

3 Details

- 3.1 The Building Control Charges Scheme outlines the relevant services provided and the mechanism for setting a charge in accordance with the Building (Local Authority Charges) Regulations 2010. A copy of the full scheme is shown in Appendix A.
- 3.2 There are a series of Standard Charges which are set based on the principles used within the Regulations and an assessment of factors to estimate the normal time for officers to undertake the function
- 3.3 Standard Charges are divided in to 3 categories
 - Table A relates to new build dwellings and flats
 - Table B relates to works to a single dwelling
 - Table C relates to non-domestic extensions and alterations
- 3.4 The Standard Charges have been increased to reflect the change in chargeable hourly rate. Individually determined charges for projects that are outside the Standard Tables will be determined in accordance with the principle of The Scheme using the new hourly rate.

4 Next Steps

- 4.1 Following Cabinet and Council approval the making of the amended charging scheme will need to be publicised for at least 7 days before it comes in to effect. The proposed implementation date is 1 November 2020.

5 Views of the Policy Development Advisory Group and Outcome of Consultations

- 5.1 The Regulations do not require that the Council should carry out any public consultation on this matter, and this is not considered necessary as the justification to increase fees is to ensure that the Council can continue to cover its costs.

- 5.2 Internal consultation has been undertaken with the Head of Finance, Head of Legal and Monitoring Officer and their comments incorporated in to this report.
- 5.3 The Planning Policy Development Advisory Group considered the proposals at their meeting on 14 September. The Group supported the review of charges and to increase the rate as calculated and agreed with Head of Finance.

6 Other Courses of Action Considered but Rejected

- 6.1 The fee increase could be delayed until April 2021 but this was not considered necessary as the local authority has the option to increase charges at any time in accordance with the legislation and the increase was delayed from April 2020 due to the Covid 19 pandemic.

7 Resource Consequences

- 7.1 There are no staff changes proposed as a consequence of this report.
- 6.2 The new hourly rate of £59 has been calculated using a model based on productive chargeable hours divided by the budgeted costs for 2020/21. The productive hours are based on an estimate of staff time allocations for different roles combined to give an overall figure.
- 6.3 Using the income figures for 2018/19 which are more representative of usual activity the new rate would generate approximately £36,000 of additional income for HDC.
- 6.4 The Building Control service also provides services for Crawley Borough Council under a joint working agreement and would generate approximately £16,000 for CBC in additional income.
- 6.5 The new income figures are intended to cover the costs of the chargeable services as expected by the Building (Local Authority Charges) Regulations 2010.

8 Legal Consequences

- 8.1 The revised Charges Scheme is in accordance with the Building (Local Authority Charges) Regulations 2010 and will be advertised for a minimum of 7 days before coming into effect.

9 Risk Assessment

- 9.1 If the Authority did not increase its charges to reflect the increase in costs then the service may not recover sufficient income and would generate an increased cost to the authority.

10 Other Considerations

- 10.1 There are not considered to be any considerations required for Crime & Disorder; Human Rights; Equality & Diversity and Sustainability.

APPENDICES TO REPORT

Appendix A – Building Control Charges Scheme, November 2020

