

SUBJECT:	<i>Revised Building Control Charges</i>
REPORT OF:	<i>Nick Naylor - Cabinet Portfolio: Sustainable Development</i>
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WARD/S AFFECTED	<i>All</i>

1. Purpose of Report

To advise the PAG about proposals to revise Building Control Charges by simplifying the scheme and increasing some of the charges and to seek their comments.

RECOMMENDATION:

That subject to comments from the PAG that the Portfolio Holder be recommended to approve the revised Building Control Charges Scheme attached at Appendix 1.

2. Reasons for Recommendations

- 2.1 Building Control is aiming to reduce the number of invoices being generated and the number of cheques received.
- 2.2 To simplify the schedule of charges for our customers and to make it clear when they need to request individually determined charges.
- 2.3 As this is a non-key decision the Portfolio Holder is asked to approve the revised scheme subject to any comments from the PAG.

3. Content of Report

- 3.1 Local Authorities are required to review their charges at the end of each financial year, and to demonstrate by 'taking one financial year with another' that the income from the charges they have levied for carrying out their building regulations chargeable service is 'as nearly as possible equates to the costs incurred' i.e. the aim is to 'break-even'. The existing charges are attached at Appendix 2. The Building Control statement for 2016/17 indicates that the service made a profit on the chargeable account of approximately £52K. It is good practice for local authorities to achieve 'break-even' over a rolling period of three years, although five years may be more appropriate where there are unusually high large surpluses or deficits have occurred.

- 3.2 The 3 year summary (since being a shared service) has a surplus of £114K. This limits putting up the charges, but we are looking into investing more into the business.
- 3.3 The budget for the financial year 2017/18 includes an extra £50K for agency staffing to facilitate gaining more of the market share, the salary budget is £11K higher and £3K has been budgeted for IT equipment e.g. iPads.
- 3.4 A rise in charges will help to cover the Surveyors Recruitment and Retention package previously agreed by Members.
- 3.5 The proposed changes are attached as Appendix 1 and will result in an extra income between £16 to £20K based on similar applications received in the financial year 2016/17, between 1.6% and 2.0%.
- 3.6 By simplifying the charges it will encourage our customers to request individually determined charges which allow the service to provide a bespoke quote for the particular projects.
- 3.7 The proposed increase in charges will cover the changes in the new systems and new technology e.g. iPad's for all surveyors to enable them to view drawings and take inspection notes on site.
- 3.8 The charges have been compared with other councils in the vicinity so not to price us out of the market. We need to remain competitive to keep and extend our market share.
- 3.9 The Building Control team has been tasked to reduce issuing invoices, which are costly to administer, so where the total full plans charge is under £1000 the customer will be requested to pay both the plan charge and the inspection charge on submission of an application. Also when the customer rings up to request an inspection at commencement, payments will be requested at that time if an inspection charge is outstanding to save an invoice being generated. There will be an option to split the plan and inspection charges if requested to do so.
- 3.10 The Building Control team has been actively reducing the amount of cheques being received by ringing customers for card payments and indicating on the website, publications etc. that we are happy to receive card payments.
- 3.11 We are investigating carrying out inspections in other authorities for our partners through "LABC Professional Indemnity Insurance". This will result in additional income.
- 3.12 The revised scheme includes the charges our customers use regularly whilst encouraging them to contact us for more complex charges allowing us to introduce our services.

4. Consultation

- 4.1 Internal consultation with the Finance and Legal teams has taken place. No external consultation has taken place.

5. Options

- 5.1 To implement amendments to the charge scheme to enable recovery of the full cost of the chargeable account.
- 5.2 To keep the existing charge scheme and run the risk of a deficit in the budget 2017/18.
- 5.3 To re-visit the scheme which would delay the changes proposed and potentially to reduce the income budget.

6. Corporate Implications

- 6.1 Financial – to comply with the CIFA guidance document for the local authority building control accounting.
- 6.2 Legal – to comply with the Building (Local Authority Charges) Regulations 2010.

7. Links to Council Policy Objectives

Sustainable Environment - protecting our heritage, protecting our future.

8. Next Step

The revised building control charges scheme will be implemented.

Background Papers:	Revised Schedule of Charges – Appendix 1 and Existing Charges – Appendix 2
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