

## Taunton Deane Borough Council

EXECUTIVE 7<sup>TH</sup> MARCH 2007

### INCREASES IN BUILDING REGULATIONS FEES

(This matter is the responsibility of Executive Councillor Bishop)

#### **Executive Summary**

Under the Building (Local Authority Charges) Regulations 1998 the Council is authorised to fix a scheme of charges to recover the cost of providing a Building Regulations service. Income from fees should be sufficient to recover the cost of providing the service when considered over a three-year accounting period (the break-even target).

Budget setting has now been completed, and a potential shortfall in income against expenditure has been identified. The Executive is asked to approve an overall increase in fees charged for the service in order to address the forecast imbalance.

#### **1 Purpose of Report**

- 1.1 To seek approval for an increase in the fees charged to persons submitting plans, giving notices and carrying out works to which the Building Regulations apply.

#### **2 Background**

- 2.1 The Building Act 1984 imposes a number of powers and duties on the authority, including enforcement of Building Regulations. These powers and duties are discharged under delegated powers by the Building Control service of the Council.
- 2.2 Building Regulations require persons carrying out building works to deposit plans with, or give notice to, the local authority. They are further required to inform the local authority at specified stages in the construction process.
- 2.3 In discharge of its duty to enforce Building Regulations, and by agreement with its insurers, the Council examines deposited plans and inspects work in progress to establish compliance, and issues certificates of conformity as appropriate.

- 2.4 Fees are charged for the process leading to the issue of certificates of compliance, and this service is consequently known as the Building Regulations Fee Earning Service (BRFES), to distinguish it from the other statutory and legal enforcement duties where the cost falls on the general fund.
- 2.5 The BRFES is cost-sensitive, in so far as the service is subject to commercial competition from private sector Approved Inspectors. However, the Charges Regulations require local authorities to set fees so as to recover the costs of providing the service, achieving at least a break-even position over time. In setting fees, therefore, the objective is to keep fees at the lowest level that will maintain a break-even trading position while still being commercially competitive.

### **3 Trading and Budgetary Forecasts**

- 3.1 The construction industry has remained steady throughout 2006, and shows good levels of activity only slightly down on the peak recovery year of 2004, and this is reflected in the level of work passing through the section. Recent interest rate rises do not appear to have had any significant effect on activity levels so far.
- 3.2 Income levels are therefore expected to remain steady during 2007/08, barring any substantial interest rate rises.
- 3.3 Following budget setting, the portion of overhead cost which the Section is required to recover in 2007/08 is increased by 17.6% compared to 2006/07, itself a year when overhead costs increased substantially. Coupled with a 5.9% increase in staffing costs, the result is an overall 10.7% increase in forecast expenditure.
- 3.4 Income from strategic business partners of £24,000 not included in the projections reduces the anticipated shortfall to £30,000, equivalent to a 7.5% increase in fee income.

### **4 Proposals**

- 4.1 It is proposed to increase the fees charged for Building Regulations by a sufficient amount to achieve a break-even trading position. The existing and proposed scale of fees is set out in Appendix 1 attached.
- 4.3 For a number of years following the introduction of the Charges Regulations in 1999, the Local Government Association issued Model Fee guidelines for local authorities to adopt. TDBC adopted these guidelines and followed them for as long as they were issued. Guidance ceased to be issued following 2003/04, when for most local authorities fee-setting became more closely a matter of achieving self-financing objectives.
- 4.2 In setting the revised scale of fees, consideration has been given to fees proposed to be charged by our neighbour authorities. The proposed fees

would be a little above South Somerset and Sedgemoor charges, but below Mendip, while West Somerset are expected to follow the TDDB lead.

## **5 Recommendation**

- 5.1 The Executive is asked to agree the introduction of the new scheme of charges set out at Appendix 1 with effect from 1<sup>st</sup> April 2007.

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**APPENDIX 1**  
**Proposed Scheme of Charges for Building Regulations**  
 (All charges shown net of VAT)

**Schedule 1 charges (new dwellings)**

Number of dwellings	Existing Charge £	Proposed charge £
1	500	525
2	750	800
3	975	1050
4	1175	1275
5	1350	1475
6	1500	1650
7	1650	1825
8	1800	2000
9	1950	2150
10	2100	2300
20	3410	3700
30	4535	4800
	Plus £80/dwelling thereafter	plus £80/dwelling thereafter

**Schedule 2 charges (domestic extensions)**

	Existing charge £	Proposed charge £
Type 1 (part re-glaze)	60	60
Type 2 (complete re-glaze)	110	120
Type 3 (small garage)	127.66	136.17
Type 4 (large garage)	234.04	255.32
Type 5 (small extension)	234.04	255.32
Type 6 (medium extension)	361.70	382.98
Type 7 (large extension)	468.09	510.64

**(Note:** The addition of VAT rounds the above figures to whole pounds.)

**Schedule 3 (All other works)**

Estimated cost £	Existing charge £	Proposed charge £
Up to 2,000	110.00	120.00
2,001 – 5,000	170.00	180.00
5,001 – 20,000	170 plus £10 per 1000 or part above 5000	180 plus £11 per 1000 or part above 5000
20,000 – 100,000	320 plus £9 per 1000 or part above 20,000	345 plus £10 per 1000 or part above 20,000
100,001 – 1,000,000	1040 plus £4 per 1000 or part above 100,000	1065 plus £5 per 1000 or part above 100,000
1,000,001 – 10,000,000	4640 plus £3 per 1000 or part above 1,000,000	5565 plus £3 per 1000 or part above 1,000,000
10,000,001 and over	31640 plus £2 per 1000 or part above 10,000,000	32565 plus £2 per 1000 or part above 10000000