

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO PLANNING & DEVELOPMENT COMMITTEE

Agenda Item No.

meeting date: 7 OCTOBER 2010
 title: NEW BUILDING REGULATION CHARGES
 submitted by: STEWART BAILEY – DIRECTOR OF DEVELOPMENT SERVICES
 principal author: GEOFF LAWSON – PRINCIPAL SENIOR SURVEYOR – BUILDING CONTROL/
 JOHN MACHOLC - BUILDING AND DEVELOPMENT CONTROL MANAGER

1 PURPOSE

1.1 To inform Committee of the introduction of new building regulation charges that commenced from 1 October 2010 as outlined in Appendix 1.

1.2 Relevance to the Council's ambitions and priorities:

- Council Ambitions - }
 - Community Objectives - }
 - Corporate Priorities - }
 - Other Considerations - }
- A well-managed Council, providing efficient services based on identified customer needs.

2 BACKGROUND

2.1 In accordance with Government policy, Local Authorities have been empowered to charge for carrying out main building control functions relating to building regulations, based on the principle of full cost recovery since the late 1970's. Charges were prescribed fees set by Government.

2.2 Government devolved the charge setting process to individual Local Authorities via 'The Building (Local Authority Charges) Regulations 1998 with the intention of Local Authorities recovering their costs of their main building control functions.

2.3 Charges set by individual authorities have served their purpose well but stakeholders have suggested that over time:

- charges became inflexible and restrictive;
- it did not allow Local Authorities to compete effectively with private Approved Inspectors;
- it was used by Local Authorities to cross-subsidise other building control functions; and
- did not provide best value for customers.

2.4 Following extensive consultation with LGA, CIPFA, Building Regulation Advisory Committee, Local Authority Building Control, Audit Commission and stakeholders, new legislation has been enacted (The Building (Local Authority) Charges Regulations 2010.

- 2.5 To provide assistance in the charge setting process, CIPFA has published a new Building Control Accountancy guide setting out what functions and costs can be attributed to Building Regulation fee earning work.
- 2.6 The aim of the new regulations is to increase the flexibility, accuracy, transparency and fairness in the way Local Authorities charge for Building Control services as well as enable the Local Authority to operate more effectively in a competitive environment.
- 2.7 The principles of the new charging scheme are as the previous 1998 Regulations ie:
- Plan Charge;
 - Inspection Charge;
 - Building Notice Charge;
 - Reversion Charge; and
 - Regularisation Charge.
- 2.8 A new provision to charge for advice relating to these functions has been introduced. This is not intended to cover general advice, however the first hour of advice is non-chargeable and any advice charged for is discounted from a subsequent application. It is therefore unlikely that we will implement any charges for this function.
- 2.9 The new Regulations introduce refunds and supplementary charges where the amount of building control input is less or more than was originally estimated at the time of submission.
- 2.10 Local Authorities may set and publish standard (prefixed) charges in their scheme and/or individual determination of charges for each project taking into account factors such as complexity of work, value of work, duration of work, floor area and new build or extension and nature of design.
- 2.11 I am aware that the fee charges have already come into effect from 1 October 2010 and Committee should be aware that if the revised fees had not been set up, the Council could not charge for new applications during the interim period.

3 ISSUES

- 3.1 Extensive discussions have taken place with LABC and in particular with neighbouring Authorities. Previously charges have been the same across all six Local Authorities in East Lancashire.
- 3.2 The new Ribble Valley Scheme of Charges follows the LABC model scheme in setting out standard charges for the majority of projects applicable in Ribble Valley. The scheme is identical to schemes in both Rossendale and Hyndburn Councils and the same for full plans applications in Pennine Lancashire.
- 3.3 The scheme has been simplified over previous years by the addition of standard charges for additional types of work. Apart from a minor increase in charges for new dwellings there is no overall increase over the present scheme of charges for full plans applications, however the scheme imposes increased charges for Building Notices to reflect the additional input and risk to the Authority.

- 3.4 As in previous years' applications to provide access for facilities for disabled persons to existing buildings and buildings to which the public have access, are exempt from Building Regulation charges; the cost to the service being met from Council funds.
- 3.5 One of the main issues relates to the need to be competitive with Approved Inspectors and to ensure that the market share is not reduced as a result of any price alterations. Over the last 12 months there has been a national trend which has resulted in approximately 15-20% of the market share being undertaken by the private sector and it is important that any fee charges minimise any further loss of income to the Council to ensure that the Council's Building Control Section remains competitive. I consider that the revised charges that need to be endorsed by Committee safeguard the Council's position.
- 3.6 Appendix A sets out the new Ribble Valley Scheme of Building Regulation Charges. Some of the main changes are shown in the table below:

	Present Scheme (ex vat)	New Scheme (ex vat)
Single dwelling	581.01	601.99
Extension >10m ² <40m ²	440.00	440.00
Loft conversion <10m ²	335.00	335.00
Work estimated cost £15,000	284.77	297.50
Work estimated cost £70,000	716.77	665.00
Work estimated cost £95,000	902.77	850.00

- 3.7 As a result of this new scheme, it will be necessary for income generated to be carefully monitored to ensure that the objective to break even is met. As a result, I anticipate regular monitoring to be carried out by the Building Control Team and a further update report to be taken to a future meeting of this Committee.

4 RISK ASSESSMENT

- 4.1 The approval of this report may have the following implications:

- Resources – It is anticipated that the revised charges will not result in a significant variation of workload and as such any resultant work can be met by existing staffing. The biggest risk with the new prices is that they could have an impact on this year's predicted budget and income.
- Technical, Environmental and Legal – If the scheme had not been in place by 1 October 2010 the Local Authority would not have been entitled to charge for its function until a scheme had been put in place.
- Political – None.
- Reputation – It is essential that the Building Control service is seen as fair and just in its charging mechanism and provides a cost effective service.

5 RECOMMENDED THAT COMMITTEE

- 5.1 Agree to the formally adopted charges mechanism as included in Appendix A of this report.

DIRECTOR OF DEVELOPMENT SERVICES

For further information please ask for Geoff Lawson, extension 4508.