

Report of the Strategic Director, Department of Place to the meeting of the Regulatory and Appeals Committee to be held on 10 August 2017

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Subject:

Revised Scheme of Charges to Meet the Cost of the Council's Building Regulations Service.

Summary statement:

The Council has the powers to set charges for the provision of its Building Regulations services. The regulations allow the council to make charges that are equitable with the costs of providing the service. The charges were last amended in 2011. This report sets out a revised scheme of charges to meet the anticipated costs of providing the service in the next few years.

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Overview & Scrutiny Area:

1. SUMMARY

The provision of a Building Regulations service is a duty of each local authority under the provisions of section 91, Building Act 1984. To pay for those services the Building (Local Authority Charges) Regulations 2010 allow local authorities to individually set charges to recover the cost of providing the service.

The provision of such services is open to competition with private sector companies, registered by central government and called Approved Inspectors. Thus, the charges, set by each local authority must meet the cost of providing the service and be competitive with the fees charged by the Approved Inspectors.

The Council's charges were last amended in 2011 and have been held at that level to remain competitive with the fees charged by the private sector companies. It was possible to maintain the scheme of charges as efficiency savings within the service meant that some costs were reduced to offset low levels of pay increases and stabilise the overall cost.

Further data collection has meant that the mean cost of each category of building project can now be more accurately determined and that relevant cost recovered.

The cost of the Building Regulations compliance service generally represents only 1 to 2% or less of the overall cost of a building project.

2. BACKGROUND

The Building Regulations charges, set by the council have not been amended since 2011.

For the last three years, it would appear that the fees charged by the private sector have been increasing but hard evidence of sensitive, commercial agreements is difficult to obtain.

The service to uphold compliance with the Building Regulations is one of the statutory functions of the Building Control unit. The Building Regulations charges form a significant income for the Building Control unit and the majority of the unit's work load arises from carrying out that function.

Some functions of the Building Regulations compliance service can not be charged for. The provision of the service where the building works are carried out for the comfort and greater convenience of disabled persons can not attract a charge. Further, the formal, legal enforcement of the regulations does not attract a charge but instead, must be financed from the public purse.

3. OTHER CONSIDERATIONS

The Building Regulations charges can only be used to cover the costs of the compliance checking function. They can not be used to cover the cost of other functions such as Safety in Sports Grounds or the demolition of dangerous buildings..

4. FINANCIAL & RESOURCE APPRAISAL

The Council has a statutory duty and must provide the Building Regulations compliance service. The service must be financed from the charges made for the provision of the service. The amended charges are designed to meet the service costs over the next financial year.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

As described in the Building (Local Authority Charges) Regulations 2010, the sum raised through the Building Regulations Charges should equate to the cost of providing that service. Annually, the chief financial officer of each local authority must state, in writing, that this has been achieved when a rolling three year period is taken into account.

6. LEGAL APPRAISAL

It is the duty of the local authority, under the provisions of section 91, Building Act 1984 to enforce the Building Regulations in their areas.

To recover the costs incurred in carrying out the Building Regulations compliance function, Regulation 3, the Building (Local Authority Charges) Regulations 2010 states that a local authority may make charges to meet that cost, subject to various conditions. Under Regulation 6 of the same regulations, the amount raised by the Building Regulations charges should equate to the cost of providing those services.

7. OTHER IMPLICATIONS

7.1 EQUALITY & DIVERSITY

The Regulations do not provide for charges to be made when the proposed building works are for the comfort and convenience of disabled persons. Therefore, the service to alterations and extensions, to meet the specific needs of a disabled person must be provided free of charge. The proposed Scheme for the Recovery of Building Regulations Charges does not, therefore, affect disabled persons.

The increase in cost for the majority of smaller, domestic works is modest. The total charge for small domestic works represents about 1% of the cost of the works. The increases in charges represent an increase of less than 0.2% of the overall cost of the building work, minimising the effect on lower income households.

7.2 SUSTAINABILITY IMPLICATIONS

The proposed new charges are required to maintain the sustainability of the service to carry out the council's regulatory duties.

7.3 GREENHOUSE GAS EMISSIONS IMPACTS

The Building Regulations require the installation of energy efficient building services and set minimum standards of thermal efficiency when certain building works are undertaken. Compliance with the regulations contributes to the reduction of greenhouse gas emissions.

7.4 COMMUNITY SAFETY IMPLICATIONS

The Building Regulations set minimum standards for health and safety in and around buildings. Compliance with the regulations promotes standards of health and safety when certain building works are undertaken.

7.5 HUMAN RIGHTS ACT

There are no human rights implications.

7.6 TRADE UNION

There are no trade union issues.

7.7 WARD IMPLICATIONS

➤ Nil.

7.8 AREA COMMITTEE ACTION PLAN IMPLICATIONS (for reports to Area Committees only)

8. NOT FOR PUBLICATION DOCUMENTS

9. OPTIONS

- (i) The proposed scheme be adopted, to meet future costs of the service provided to each category of work. The proposed scheme seeks by modestly increasing the amounts charged
- (ii) The existing scheme be maintained. The existing scheme is currently competitive but will not meet the requirement to meet rising costs.

10. RECOMMENDATIONS

Recommended -

That the proposed Scheme of Recovery of Building Regulations Charges, as set out in the Appendix to Document “R” be adopted with effect from 4 September 2017.

11. APPENDICES

Appendix 1.

Proposed Scheme for the Recovery of Building Regulations Charges.

12. BACKGROUND DOCUMENTS

The Building Act 1984.

The Building (Local Authority Charges) Regulations 2010

Scheme of Recovery of Building Regulations Charges 2010