

Report to the Cabinet

Report reference: C-107-2008/09

Date of meeting: 9 March 2009



**Epping Forest
District Council**

Portfolio: Planning and Economic Development.

Subject: Building Control Fees And Charges 2009/10.

Responsible Officer: John Kershaw (01992 564142).

Democratic Services Officer: Gary Woodhall (01992 564470).

Recommendations:

- (1) That the proposed 8% increase in fees and charges for 2009/10 suggested during the budgetary process be confirmed;**
- (2) That the Scheme of Charges, set out at Appendix 1 of the report, be adopted by the Council in pursuance of The Building (Local Authority Charges) Regulations 1998;**
- (3) That the Charges be introduced with effect from 6 April 2009; and**
- (4) That the Director of Planning and Economic Development be authorised to advertise the introduction of the new Scheme of Charges as required by the Charges Regulations.**

Executive Summary:

Under the Building (Local Authority Charges) Regulations 1998 the Council is authorised to fix a scheme of charges in connection with the performance of its functions under the Building Regulations. Income from the charges should be sufficient to meet the costs of the service provided, and must always meet the cost over any three-year rolling accounting period (the break-even target).

Budget forecasts for 2009/10 indicate a potential shortfall in the three-year rolling accounting period of £15,000. Cabinet is therefore asked to approve an overall increase of 8% in the level of fees charged for Building Regulations applications sufficient to address the forecast imbalance.

Reasons for Proposed Decision:

To do nothing is not an option. As can be seen in Appendix 1, The recommended increase is still in line with the charges other Local Authorities are making in respect of their charges for building regulations work

In view of the above circumstances it is considered prudent for the level of Building Regulation charges to be increased by 8% rounded upwards to the nearest pound. The increase to be effected in relation to the standard charges in the Scheme and where the charge is based upon the estimated cost of the building work involved.

The new scheme of charges, which reflects the proposed increase is recommended to operate from 6 April 2009, is set out at Appendix 2.

Other Options for Action:

One option is to do nothing, However failure to increase the charges could place an additional burden on the Council's resources and the cost of the building control service may not be recovered over a continuous, rolling three year accounting period, which would be a breach of the Building (Local Authority Charges) Regulations legislation.

Report:

1. One of the functions of the Council is to enforce Building Regulations in its area (Building Act 1984 Section 91). To prevent breaches of the Regulations occurring, persons carrying out work are required to deposit plans for approval or give notice of the work to the Council. The Council examines and approves the plans and /or inspects the work on site to verify compliance with the Regulations.

2. The Council is authorised to impose a scheme of charges in connection with the processes of plans examination and site inspection (The Building (Local Authority Charges) Regulations 1998). This service is therefore known as the BUILDING REGULATIONS FEE EARNING SERVICE (BRFES).

3. The BRFES is a commercial service provided in competition with private sector Approved Inspectors. It is in the interests of the local authority to maintain a viable fee-earning service in order to retain its professional staff base and therefore its ability to discharge the statutory enforcement functions and other duties performed by the service.

4. A separate ring fenced account is maintained for the BRFES (as opposed to other statutory but non-fee earning services provided by the Building Control Service). This ring fenced account is required to be operated so as to break-even, and should always achieve at least a break-even position when considered over any three year accounting period.

5. The purpose of this report is to consider the current position and future demands on the ring-fenced account. A consequence of this consideration will have an impact on whether the charges are left at their present level or increased.

6. The current position for the three year accounting period for the ring fenced account is as follows:

	Original Est	Rev Otn	Original Est	Actual	Actual
	2009/10	2008/09	2008/09	2007/08	2006/07
	£000	£000	£000	£000	£000
Expenditure					
Employee Costs	264	248	350	328	312
Premises	0	0	0	0	1
Transport	17	17	19	18	14
Supplies & Services	46	48	63	84	34
Central & Support Service charges	296	278	240	219	240
Asset Rentals	4	3	2	2	2
Total Expenditure	627	594	674	651	603

Income					
Building Regulation Charges	642	594	674	621	550
Other Income	0	0	0	0	12
Total Income	642	594	674	621	0 562
Surplus/(Deficit) for the Year	15	0	0	(30)	(41)
Balance B/Fwd	(15)	(15)	(15)	15	56
Balance C/Fwd	0	(15)	(15)	(15)	15

Notes:

This table includes an increase in fees and charges for 2009/10 of 8%.

7. In the current year 2008/09 it is anticipated that there will be a net saving of £102,000 on Employee Costs due to vacant posts, However the Building Regulation Charges show a shortfall on budget of £80,000, which seems to reflect the current economic climate and has also been experienced by other Essex districts. A CSB Growth item for £80,000 is included in the Revised Outturn for 2008/09 in respect of this shortfall in fees and charges.

8. The Building Control ring fenced budget is showing a breakeven position for the current year. Consultant costs were reduced to balance the budget in the current year, but this still leaves a deficit of £15,000 on the Ring Fenced Account for the three-year accounting period.

9. If fees and charges are increased by 8% then, for 2009/10 the Building Control ring fenced budget achieves a surplus of £15,000, which will balance the account by reducing the deficit balance of £15,000.

10. Income from fees should plainly be covering the costs of providing the service, and having been inputting information into the Northgate M3 system for a period of time, it is now possible to look at what fees were received for particular jobs, and whether that fee has paid the costs borne by the Council. Accordingly, some analysis of that has now been undertaken; that is revealing that the time being spent, and the fees being charged are not presently covering the costs.

11. Further fee increases in the present economic climate may not be popular, and may not necessarily raise income to quite the same extent that it would do in a more normal economic climate. It is also probable that trading conditions in the construction sector will be very difficult during 2009/10, and a significant recession is possible. Fee increases are needed however to counter normal cost inflation and to combat the negative impact of a recession on the ability of the Service to meet its self-financing targets.

Resource Implications:

The 8% increase in fees and charges included in the 2009/10 Estimate is required in order to break even on a rolling three-year basis. The account is currently in deficit and is estimated to breakeven as required by the regulations, by 31 March 2010.

Legal and Governance Implications:

The Building (Local Authority Charges) Regulations 1998.

Safer, Cleaner and Greener Implications:

No implications.

Consultation Undertaken:

Within other Essex Authorities.

Background Papers:

None.

Impact Assessments:

Not increasing the fees may restrict the Council's ability to offer an efficient Building Control service.

No issues are raised under the Council's Equalities policies.

Authority	Detached Garages Under 40m2	Extensions under 10m2	Extensions 10 – 40m2	Extensions 40 – 60m2	Single House	Alterations not exceeding £2000	Proposed increase in April 2009	Date of last increase.
Epping + 8%	165.02	320.41	504.64	673.77	504.65	152.74		06.08.2008
Basildon	132.25	272.55	425.50	563.50	483.00	138.00	No Increase	01.04.2008
Braintree	160.00	326.00	474.00	629.00	591.03	144.00	No Increase	01.04.2008
Brentwood	188.89	293.62	420.85	552.98	676.20	117.88	2.5% Increase Proposed	01.04.08
Castle Point	134.09	271.10	396.38	530.47	636.36	115.00	3% Increase Proposed	01.01.08
Chelmsford	132.12	234.90	391.51	508.94	425.74	117.45	Not known at this time	01.07.08
Colchester	150.73	265.24	425.75	564.72	426.72	115.00	2.5% Increase	01.04.08
Harlow	166.13	280.35	492.15	658.28	1000.00	143.54	No Increase	13.10.08
Maldon	153.19	306.38	459.58	612.77	587.24	153.19	4% Increase Proposed	01.04.08
Rochford	132.77	276.00	480.00	624.00	606.05	115.00	No Increase	01.04.07
Southend	162.86	332.23	501.63	671.02	593.09	146.44	4% Increase Proposed	Not Available
Tendering	154.64	291.66	429.66	571.57	553.96	127.24	Not known at this time	01.04.08
Thurrock	156.00	300.00	456.00	606.00	536.71	156.00	No Increase	01.04.08
Uttlesford	147.20	270.25	471.50	612.95	683.10	126.50	No Increase	01.03.08

Appendix 1

Fee Comparison Table (Includes Plan, Inspection Fee And VAT) From 1st December 200

