

TITLE	Shared Service Building Control Charges
FOR CONSIDERATION BY	The Executive on Wednesday 22 April 2020
WARD	None specific
LEAD OFFICER	Director, Place and Growth - Sarah Hollamby
LEAD MEMBER	Executive Member for Environment and Leisure - Parry Batth

PURPOSE OF REPORT (INC STRATEGIC OUTCOMES)

To agree new building control charges to ensure that the service is delivered on a cost recovery basis to meet the statutory obligations of the Council.

RECOMMENDATION

That the Executive agree to the setting of Building Control Charges from 1st May 2020 as set out in the report.

EXECUTIVE SUMMARY

The building control shared service between WBC, RBWM and West Berkshire commenced on 1 July 2016.

The statutory building control service undertakes a number of 'non-trading' statutory services (approximately 17% of current total workload) funded by the local authority and jointly funded by WBC, RBWM and West Berkshire under the shared service arrangement. Where possible, the costs of delivering a number of these 'non-trading' statutory services are recovered on a fee recovery basis through charges which were reviewed and approved by the Executive for 2020/21.

The remaining statutory trading workload and services are provided on a cost recovery basis; set against competition from private sector Building Control Bodies.

Charges for the statutory trading account were last reviewed and increased in line with inflation from 1st April 2019.

The proposed charges set out in this report were recently considered and agreed by the shared service Building Control Board. The report sets out the proposed charges for the statutory trading account to take effect from 1st May 2020

BACKGROUND

BCS operates within two separate budget accounts; a trading account and a non-trading account.

The trading account refers to activities which provide the statutory building regulation function within a competitive environment. Although the service must compete with private sector providers; it must also deliver this service as a statutory function and must do so whilst remaining self-financing. Partner councils to the shared service cannot refuse to accept a building regulation submission to BCS; except under the statutory provisions of the Building Act and Building Regulations.

The non-trading account refers to the 'public protection' activities such as the enforcement of the Building Regulations, maintenance of registers of Initial Notices and Competent Persons Schemes, Dangerous Structures and Demolition incidents. This is funded by the partner councils in the provision of their statutory roles; but also from additional income from charges, mainly applied for the handling of solicitor enquiries and demolition notices.

BUSINESS CASE

The current schedule of building control charges was agreed in April 2019. There is a need to ensure that the service is offered to all local authorities on a true cost recovery basis.

It is essential that the service keeps charges as low as possible to remain competitive, but at the same time ensuring that sufficient income is generated. This is in order to offer sufficiently competitive salaries to recruit and retain staff to provide a high quality service.

Below is a comparison between existing charges and their respective proposed charges. The proposed charge is shown immediately below the respective existing charge. These have been calculated by benchmarking charges with a number of adjoining and neighbouring authorities; as well as the time/work involved for each category of work. A more thorough comparison exercise with 11 other authorities has shown that BCS charges have fallen behind the average banding charges made by these authorities. Whilst acknowledging that the costs of maintaining the service will vary between authorities; it is proposed to adopt the average banding charge which are still reasonable. As a result, this has generally necessitated an average 8-10% increase to retain our respective charges in line with the average charge made by adjoining authorities. This proposed increase will also help to reduce any future financial risk for the partners.

A couple of the charge bandings i.e. detached garages and minor works were set considerably below the average charges being made by the benchmarked authorities. These particular charges have been increased by approximately 50% in total; in line with the respective average charges made by these benchmarked authorities. It is highly likely that in these particular cases existing costs were not being sufficiently recovered to deal with these projects. However, it is worth noting that the number of such projects being submitted annually is relatively low. In order to offset the proposed increase; the respective charges have been revised to become payable in two instalments rather than a single one payable on application.

The proposed charges are representative of the work involved (i.e. re-covering the overall cost of providing the service) whilst remaining competitive with both neighbouring building control authorities. Approved Inspectors do not have the same legal requirements placed on them to advertise their charges. This presents a difficulty trying to benchmark with such competitors. The shared service charges proposed are also sufficient to cover salary costs to enable the council to attract qualified high caliber surveyors.

The building control budget is ring fenced as the service is unable to make a profit. If at the end of the financial year the account is in surplus, funds will be either reinvested in the service to make it more effective and competitive or the charges regime will be revisited and charges reduced. The current difficulties with the retention and recruitment of staff have resulted in the need to secure agency staff at a significantly higher cost to the service and necessitated the need to increase fees to ensure that the service is provided on a cost recovery basis and to limit the risk of deficit in the trading account to partners. The service is looking to address this issue but the national shortage of Building Control Surveyors and the competitive nature of the market has resulted in continued difficulties.

Comparison between current and proposed charges.

Proposed charges are shown immediately below their respective current charge.

Type of Work	Full Plans Plan Charge	Full Plans Inspection Charge	Building Notice Charge
	£	£	£
1. Erection or extension of a detached or attached building which consists only of a garage or carport or both having a floor area not exceeding 60m ² in total and intended to be used in common with an existing building, and which is not an exempt building.	279.00 280.00	144.00	310.00 446.00
2. Garage conversion consisting of a garage to habitable accommodation	258.00 280.00	134.00 156.00	424.00 458.00
3. Any extension or loft conversion of a dwelling the total floor area of which does not exceed 10m ² .	258.00 280.00	279.00 300.00	588.00 638.00
4. Any extension or loft conversion of a dwelling the total floor area of which exceeds 10m ² , but does not exceed 40m ² .	258.00 280.00	413.00 435.00	733.00 787.00
5. Any extension or loft conversion of a dwelling the total floor area of which exceeds 40m ² , but does not exceed 100m ² .	258.00 280.00	578.00 610.00	916.00 1021.00
7. Window replacement where the installer is not registered under the FENSA scheme and there are no other building works involved.	-	-	150.00 195.00

Charges Relating to New Houses and Flats up to Three Storeys High and Not Exceeding 500m²			
Number of dwellings	Plan Charge £	Inspection Charge £	Building Notice £
1	391.00	567.00	1073.00
	420.00	590.00	1180.00
2	491.00	712.00	1352.00
	520.00	760.00	1487.00

	Plan Charge £	Inspection Charge £	Building Notice Charge £
Est. cost less than £5k	191.00	-	211.00
	200.00	107.00	337.00
Est. cost £5 – 10k	182.00	175.00	392.00
	200.00	204.00	444.00
Est. cost £10 – 20k	182.00	289.00	517.00
	220.00	340.00	616.00
Est. cost £20 – 30k	235.00	371.00	668.00
	270.00	402.00	739.00
Est. cost £30 – 40k	289.00	454.00	817.00
	320.00	469.00	868.00
Est. cost £40 – 50k	341.00	537.00	965.00
	370.00	602.00	1069.00

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council continues to face severe financial challenges over the coming years as a result of reductions to public sector funding and growing pressures in our statutory services. It is estimated that Wokingham Borough Council will be required to make budget reductions of approximately £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	Nil	Yes Funding is from within the service budget	Revenue
Next Financial Year (Year 2)	Nil	Yes Funding is from within the service budget	Revenue
Following Financial Year (Year 3)	Nil	Yes Funding is from within the service budget	Revenue

Other Financial Information

None

Stakeholder Considerations and Consultation

None

Public Sector Equality Duty
Due regard to the Public Sector Equality Duty has been taken

Climate Emergency – <i>This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030</i>
Continued ability of the service to secure national building control sustainability requirement on a cost neutral basis

List of Background Papers
N/A

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