

NOT FOR PUBLICATION: Appendix A to this report contains information considered to be exempt under Paragraph 3 of Schedule 12A to the Local Government Act 1972 as amended

REPORT TO: CABINET MEMBER FOR PLANNING

DATE: 30 NOVEMBER 2021

SERVICE AREA: PLACE-SHAPING AND ECONOMIC GROWTH

REPORTING OFFICER: EXECUTIVE OFFICER, DEVELOPMENT MANAGEMENT AND BUILDING CONTROL (John Worthington)

SUBJECT: **BUILDING CONTROL FEE SETTING REPORT 2022/23**

WARDS AFFECTED: All

FORWARD PLAN REF: N/A

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to consider the proposed increase in fees and charges for the Building Control functions, to be applied from 1st April 2022.

2.0 RECOMMENDATIONS

2.1 That the Cabinet Member agrees for implementation the fees and charges highlighted yellow in Appendix A. These fees have been increased by a minimum of 2.5% and would be applied from 1st April 2021.

2.2 The fees associated with New Dwellings (highlighted orange in Appendix A) be recommended by the Cabinet Member to Cabinet at a rate of increase in excess of 2.5% so that the fee more closely relates the cost in officer time of providing responses to these matters and bring our charges more into line with the charges made by the North Yorkshire Building Control Partnership.

2.3 No increase is proposed for electrical fees as these are based on the charge levied by Building Maintenance plus an hour of officer time.

2.4 All fees would be applied from 1st April 2021

3.0 RECOMMENDED REASONS FOR DECISIONS

- 3.1 To increase the majority of fees and charges for Building Control in accordance with the 2.5% target increase approved by Cabinet on 12 August 2020, to be applied from 1 April 2021.
- 3.2 Some current fees are considered by officers to be at a rate which does not reflect the actual cost to the Council. In these cases an increase above the 2.5% target increase is recommended to adequately cover the cost to the Council of undertaking such work.

4.0 ALTERNATIVE OPTION/S CONSIDERED AND RECOMMENDED FOR REJECTION

- 4.1 Not to increase the fees and charges. This is recommended for rejection as this would be contrary to the decision of Cabinet in approving the Medium Term Financial Strategy from 21 August 2021. Failure to implement the increase would mean that the full costs of providing the service would not be achieved. Only increasing all fees by 2.5% would not cover the cost to the Council of some services.

5.0 THE REPORT

- 5.1 Building Control is a statutory Local Government function. Work carried out within this function is categorised as either “fee earning” or “non-fee earning”. The fee earning aspect relates to charges made for the appraisal and site inspections of schemes submitted under the Building Regulations.
- 5.2 The Building (Local Authority) Charges Regulations 2010 which came into force on 1st October 2010 set out a rationale whereby Local Authority Building Control bodies are required to set the payable charges relating to the discharge of their statutory duties on a cost recovery basis.
- 5.3 The above regulations set out a model (designed by CIPFA), whereby all chargeable Building Control activities are met through the charges that are levied on the persons carrying out their specific Building Control related projects - not through Council Tax payments.
- 5.4 The CIPFA model is designed to achieve a cost neutral position over a rolling three year period. It gives guidance in the form of a spreadsheet that identifies the number of chargeable productive hours (as opposed to the total number of working hours) for the service. This is then applied as an apportioned percentage to the total budget to obtain the total amount (£) that is required to be recovered by the service. This recoverable figure is then considered along with the number of each type of application that it is anticipated to be received in the forthcoming year and the number of hours that each application will require to have spent on it in determining compliance with the Building Regulations.

- 5.5 Generally hourly rates vary between authorities, and are in the region of £60 to £90 (+VAT) per hour. Harrogate's rate for 2021/22 has been calculated at £80/hour.
- 5.6 It is proposed to increase the majority of the suite of Building Control charges by 2.5% as approved by Cabinet. Exceptions to this are the fees for new dwellings, where a fee increase of some 20% is recommended to cover council costs and bring our charges into line with those levied by the North Yorkshire Building Control Partnership (all North Yorkshire districts bar Craven and Harrogate)
- 5.7 Appendix A is exempt under paragraph 3 to schedule 12A of the Local Government Act on the basis that it is commercially sensitive to Harrogate Borough Council and relates to 'Information relating to the financial or business affairs of any particular person (including the authority holding that information)'.

6.0 REQUIRED ASSESSMENTS AND IMPLICATIONS

6.1 The following were considered: Financial Implications; Human Resources Implications; Legal Implications; ICT Implications; Strategic Property/Asset Management Considerations; Risk Assessment; Equality and Diversity (the Public Sector Equality Duty and impact upon people with protected characteristics). If applicable, the outcomes of any consultations, assessments, considerations and implications considered necessary during preparation of this report are detailed below.

6.2 Finance and Legal

Consultation with finance and legal staff was undertaken during the preparation of this report and their comments taken into account in the proposed recommendations.

7.0 CONCLUSIONS

7.1 The charges that Harrogate Borough Council Building Control currently makes require revision in line with the 2.5% target increase approved by Cabinet on 21 August 2021. There is also a business requirement to change these charges in line with accepted guidance that will then enable the section to meet its budgetary requirement, whilst still competing effectively within its market place. Where officers believe that current fees being charged do not cover the time taken to respond a fee increase above 2.5% is recommended.

<p>OFFICER CONTACT: Please contact John Worthington, Executive Officer – Development Management and Building Control if you require any further information on the contents of this report. The officer can be contacted at the Place-shaping and Economic Growth Section, Civic Centre, Harrogate, HG1 9RW, by telephone on 01423 500600 x 56948 or by e-mail – john.worthington@harrogate.go</p>
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