



REPORTS FOR DECISION BY THE CABINET MEMBER FOR REGENERATION

Date Issued:

1. Report of the Assistant Director of Environment & Regulatory Services - Building Surveying Charges

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Agenda Item 1

MAIDSTONE BOROUGH COUNCIL

CABINET MEMBER FOR REGENERATION

REPORT OF THE ASSISTANT DIRECTOR OF ENVIRONMENT AND REGULATORY SERVICES

Report prepared by David Harrison

Date Issued: 02 September 2010

1. Building Regulation Charges

1.1 Key Issue for Decision

1.1.1 To review Building Regulation Charges from 1st October 2010.

1.2 Recommendation of Assistant Director of Environment and Regulatory Services

1.2.1 That the charges set out in the attached Charging Scheme be agreed with effect from 1st October 2010.

1.3 Reasons for Recommendation

1.3.1 Powers to charge for Building Regulation services exist under The Building (Local Authority) Charges Regulations 1998. Earlier this year those regulations were revised into a new statutory instruments coming into full effect on 1st October 2010.

1.3.2 The underlying powers and requirements of the regulations remain unchanged. The service is still required to set and publish how charges are calculated with a view to recovering the proper costs of the chargeable portion of the service, (the Trading Account), and to publish accounts within 6 months of year end detailing income, costs and any surplus/deficit. Charges must be set to produce an income as close as possible to the actual cost of the service, i.e. break even. Communities and Local Government (CLG) cite excessive surplus made by some authorities as a reason for the legislation change.

1.3.3 The main change in the new regulations is that charges must now be determined based on the hourly rate at which the time of officers will be charged. This hourly rate must be published in the Charging Scheme.

The Regulations refer to the Chartered Institute of Public Finance Accountancy (CIPFA) Guidance Document *local authority building control accounting* which sets out the accounting procedure which should be adopted for the calculation of the hourly rate.

The Charges Scheme relating to this decision has been prepared in accordance with the CIPFA guidance and with the approval of Corporate Finance.

- 1.3.4 The new regulations allow greater flexibility to set fees on individual projects. Charges are directly linked to the level of service required in order to achieve compliance with the Building Regulations and are a multiple of the hourly rate and an assessment of the number of chargeable hours required from application receipt to Building Regulation compliance at the end of each project.

The service level for standard charges and individual pricing will be determined with consideration of advice from the CLG on risk assessment and bundling of inspections.

The *Future of Building Control Implementation Plan*, produced by the CLG concluded that too many site inspections were being made and should be avoided unless there was a specific reason to be on site. To assist in reducing time checking projects they produced guidance on risk assessment.

This guidance also refers to bundling of inspections, for example combining the commencement visit with the inspection of excavations for foundations. The idea of bundling inspections and risk assessment is not new, however this is the first official guidance that moves away from set statutory inspections in the Building Act 1984 and endorses what has been practiced for years.

Charges then are not fixed and can fluctuate up or down after considering factors such as:

- Risk assessment of the professionals/individuals/company involved to determine the level of plan checking and site supervision.
- The application details work which is repetitive, for example a housing development with similar or identical house types
- Work or details being submitted have been approved by the Council on previous applications.
- Where the application has more than one element of work and these are constructed at the same time,
- Where elements of works are certified by other organisations such as Robust Details.

The powers to charge and refund are made clear to customers in paragraphs 3 & 4 of the published fees guide.

- 1.3.5 The regulations no longer require a fixed scheme of set charges to be determined and published. It is however considered a benefit to customers to publish some set charges rather than have to contact the council for individual quotes each time. The revised set of standard charges is included in the Charges Scheme for decision.

1.4 Alternative Action and why not Recommended

- 1.4.1 The alternative action of doing nothing will result in the current charges scheme not complying with The Building (Local Authority) Charges Regulations 2010, a statutory instrument, from 1st October 2010.
- 1.4.2 The alternative action of raising the service standards is not recommended as this would raise fees on individual projects make the council uncompetitive with resulting loss of market share and overall income.
- 1.4.3 The alternative action of increasing or reducing service standards is not recommended as reducing standards would lead to the need to reduce charges on individual projects and loss of income. Service standards have been set to provide a reasonable level of service to be expected by the customer.
- 1.4.4 The alternative action of changing the charges, e.g. setting a charge below cost to retain market share, is not recommended as this would not reflect the hourly rate and be contrary to the Regulations and CIPFA guidance.

1.5 Impact on Corporate Objectives

- 1.5.1 There will be no adverse impact on Corporate Objectives, value for money remains a key driver for the service.

1.6 Risk Management

- 1.6.1 This charges scheme firmly links costs and service levels to the charges for individual projects. The new regulations allow for a customer to claim back some of the charge if the level of service being charged for was not provided. It is essential that staffing be maintained at the right level if such claims are to be avoided.

- 1.6.2 The section needs to remain efficient and effective to remain competitive in the market. Staffing levels and charges will be closely monitored to ensure income matches expenditure.
- 1.6.3 Data collection and analysis of actual service level/hours will be compiled on a continuous basis by the Building Surveying manager to ensure efficiency and adherence to the service levels.
- 1.6.4 When quoting for individual projects, the Building Surveying Manager/team leaders will accurately assess the number of hours and charge to ensure income expectation is met. Risk of error is reduced due to data and knowledge of service provision on major projects.

1.7 Other Implications

1.7.1

1.	Financial	X
2.	Staffing	X
3.	Legal	X
4.	Equality Impact Needs Assessment	
5.	Environmental/Sustainable Development	
6.	Community Safety	
7.	Human Rights Act	
8.	Procurement	
9.	Asset Management	

1.7.2 Financial

The new charges regulations were used as an opportunity to assess the workload and staffing levels in Building Control and ensure that charges are fairly set to ensure at least break even.

This exercise has resulted in changes to the percentage of officer time spent on chargeable and non chargeable services which are funded by the council. The higher chargeable percentage will result in less council funding from 1st April 2011 and thereby a saving which will be considered as part of the budget setting process.

1.7.3 Staffing

There are no implications on staffing levels at this moment in time. Although there is reduced workload due to economic downturn the section currently has a vacant Surveyor post. In addition to this one Surveyor is on maternity leave until April 2011, 2 Senior Surveyors have reduced their hours and another is engaged in the project management of Mote Park and the museum.

1.7.4 Legal

The revised charges scheme has been prepared in accordance with The Building (Local Authority Charges) Regulations 2010 and will be advertised for a minimum of 7 days before coming into effect.

The level of service will ensure that the statutory function is met.

1.8 Relevant Documents

1.8.1 Appendices

The Guide to Fees for Building Control Commencing 1st October 2010

1.8.2 Background Documents

Communities and Local Government Future of Building Control Implementation Plan

The Building (Local Authority Charges) Regulations 2010 (SI 2010/404)

How to Comment

Should you have any comments on the issue that is being considered please contact either the relevant Officer or the Member of the Executive who will be taking the decision.

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IS THIS A KEY DECISION REPORT?

Yes

☒

No

☐

If yes, when did it first appear in the Forward Plan?

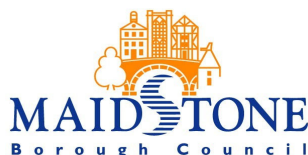
08/07/2010.....

This is a Key Decision because: Changes to fees and charges.

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Wards/Parishes affected: All.....

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GUIDE TO FEES FOR BUILDING CONTROL

COMMENCING 1st October 2010

[Based on a VAT rate of 17.5%]

THE BUILDING ACT 1984 (The Act)

THE BUILDING (LOCAL AUTHORITY CHARGES) REGULATIONS 2010 (The Regulations)

THE BUILDING REGULATIONS 2001 (Principal Regulations)

1. From 1st October 2010 the Council will set charges based on the estimated hours of Building Control input from the receipt of an application through to the completion of a project. By using an average hourly rate for Surveyors time which is calculated to include all proper costs, the charges should reflect as closely as possible the actual cost of the service provided.

The hourly rate charged from 1st October will be £82.20

2. All charges may be determined on individual projects however where there is sufficient historical data, some standard charges have been calculated as a guide, and these are shown in the tables below.

Please contact the office by telephone on 01622 602701 or email building@maidstone.gov.uk for an individual quote for services where not shown in the tables below.

3. Where the required amount of Building Control work is more than that originally estimated, the Council may request a supplementary charge. This may occur where:
 - The project turns out to be more complex than anticipated, for example if additional time is needed to check structural or non standard construction details.
 - A customer would like a greater site presence than the minimum service level.
 - After risk assessment of the professionals/individuals/company involved it is decided that the design work or site construction requires additional checking time to ensure compliance.
 - The project exceeds 12 months from commencement to completion.
4. Where the required amount of Building Control work is less than that originally estimated, the Council will make an appropriate refund of part of the charge on satisfactory completion of that part of the function. This may occur where:

- After risk assessment of the professionals/individuals/company involved it is decided that the design work or site construction requires less checking time to ensure compliance.
 - The application details work which is repetitive, for example a housing development with similar or identical house types
 - Work or details being submitted have been approved by the Council on previous applications.
 - Where the application has more than one element of work and these are constructed at the same time reducing inspection time.
 - Where Robust Details Ltd have been used.
5. Supplementary Charges or refunds will not be made for the first hour of the Surveyors time above or below that estimated.
6. All of the charges assume that domestic electrics (Part P) are being self certified under a Government approved Competent persons Scheme. Where this is not the case the Council will request its Electrical Consultants to certify the work for which there is a charge detailed in the tables below.
7. Charges payable by the relevant person apply to the following functions:
- a. A **Full Plans charge** for the technical checking of plans, calculations and specifications etc deposited under The Act and the issuing of a decision within the statutory time period. **The agreed Plan Checking Charge is payable when the application is deposited**
 - b. An **Inspection Charge** for the on site checking of various stages of construction through to completion of work for which plans have been deposited under The Act. This includes maintaining an electronic record of inspections, the checking of certificates required at completion and the issue of a final certificate. **The full Inspection Charge is invoiced after the first inspection of commencement of works.**

By prior agreement, the inspection charge may be invoiced in installments.
 - c. A **Building Notice Charge** for the checking of plans, calculations and specification submitted in association with The Principal Regulations and the checking of various stages of work through to completion. **The full Building Charge is payable when the application is submitted.**
 - d. A **Regularisation Charge** for or in connection with the consideration of an application under regulation 21 of the Principal Regulations and the inspection of any building work to which that application relates. **The Regularisation Charge is payable when the application is deposited.**
 - e. A **Reversion charge** in connection with the consideration of building work reverting to the Council's control

- f. **Chargeable advice** A charge may be made for giving advice exceeding one hour before an application or notice is received. The Council will give written notice and a breakdown of such a charge before the advice is given. This charge may be deducted from charges relating to the deposit of plans or the submission of a notice for the work in question.

8. Definitions:

Building means any permanent or temporary building but not any other kind of structure or erection, and a reference to a building includes a reference to part of a building.

Building Notice means a notice given in accordance with regulations 12(2)(A)(a) and 13 of the Building Regulations 2000 (as amended).

Building Work means:

- the erection or extension of a building;
- the provision or extension of a controlled service or fitting in or in connection with a building;
- the material alteration of a building, or a controlled service or fitting;
- work required by building regulation 6 (requirements relating to material change of use);
- the insertion of insulating material into the cavity wall of a building;
- work involving the underpinning of a building;
- work required by building regulation 4A (requirements relating to thermal elements);
- work required by building regulation 4B (requirements relating to a change of energy status);
- work required by building regulation 17D (consequential improvements to energy performance);

Chargeable Functions are described in paragraph 7 above.

Cost does not include any professional fees paid to an architect, quantity surveyor or any other person.

Dwelling includes a dwelling-house and a flat.

Dwelling-house does not include a flat or a building containing a flat.

Estimated Cost means the cost as would be charged by a person in business to carry out the building work in question. See paragraph 9.

Flat means separate and self-contained premises constructed or adapted for use for residential purposes and forming part of a building from some other part of which it is divided horizontally.

Floor area of a building or extension is the total floor area of all the storey's which comprise that building. It is calculated by reference to the finished internal faces of the walls enclosing the area, or, if at any point there is no enclosing wall, by reference to the outermost edge of the floor.

Relevant person means:

- in relation to a plan charge, inspection charge, reversion charge or building notice charge, the person who carries out the building work or on whose behalf the building work is carried out;
- in relation to a regularisation charge, the owner of the building; and
- in relation to chargeable advice, any person requesting advice for which a charge may be made pursuant to the definition of 'chargeable advice'

9. Estimated Cost

- Estimates should be provided for all work except standard charges based on floor area in tables 1 & 2.
- Estimates should not include VAT
- Where there is a dispute regarding the estimate cost, the Building Regulation charges will be determined based on estimated hours for the service and the hourly rate.
- If an estimate is required to confirm the fee paid is correct then it should be provided within 21 days of our request.

10. Applications will be made invalid and of no effect when:

- The fee received is too low
- An estimated cost has not been provided, is considered too low or is disputed
- The floor area of the extension(s) has not been specified or is disputed.

Applicants will be contacted to advise them that the application is invalid and what needs to be done to validate it. If an application remains invalid for more than 21 days we will return it and refund fees paid minus any cost we have incurred such as administration, (minimum of £30).

11. Where an application is made for more than one element of work then the charges apply to each element separately. If however work is seen to be carried out to each element at the same time a reduction will be made appropriate to savings made in inspection time.

12. The following principles apply:

- a. The sum of the plan charge and the inspection charge shall be equal to the building notice charge.
- b. The reversion charge shall be equal to the building notice charge.
- c. The regularisation charge shall be 20% greater than the net building notice charge but VAT is not chargeable.

13. Where work previously rejected is resubmitted and is the same, there will be no further plan charge.

Where resubmitted work is altered or if alterations to a scheme are presented after the initial plan check then an additional charge may be made in relation to the additional plan checking time in excess of that originally estimated.

Important Information

- i) Building law is complicated because it has to deal with all sorts of development in many different circumstances. This guide is only an introduction to charges for Building Regulations. It is not a full interpretation of the law.
- ii) The above functions are intended to ensure that controllable work satisfies the minimum requirements of the Building Regulations. It should not be seen as a substitute for Architect or Clerk of Works supervision.
- iii) For certain work under the Building Regulations you will also need to apply for planning permission under the Planning Acts. (You may have to pay extra for this). For more information, please phone the North or South Area Development Control Team.

For further advice on Building Regulations call 01622 602701, 602703, or e-mail, building@maidstone.gov.uk.

Customer Care Policy

Customer perception of the building control service starts with their first contact with the Council either through the front of house staff or through the section own administration team. The way in which the council responds to customers is set out in the Customer Care Policy which can be viewed at

http://www.maidstone.gov.uk/pdf/Customer_Care_Policy.pdf.

Building Control is a statutory function that requires the council to check plans and work on site in accordance with the Department for Communities and Local Government publication *Building Control Performance Standards* which can be viewed at:

http://www.planningportal.gov.uk/uploads/br/bcpi/building-control-performance-standards_june06.pdf

Complaints

Dissatisfaction with any aspect of service delivery can be raised through the Corporate Complaints system, details of which can be found using this link:

http://www.maidstone.gov.uk/pages/do_it_online/contact_us/making_a_complaint.aspx

Table 1 – STANDARD DOMESTIC CHARGES INCLUDING VAT

Please contact the Building Surveying to discuss service provision and an individual quote if the work you are proposing does not appear in this table.
If the application is for more than one element or a combination of elements please call to discuss a discount.

Element	Description of Work	Plan Charge	Inspection Charge	Building Notice Charge
1	Erection of a single dwelling house	290	480	770
2	Erection of 2 dwelling houses	360	700	1060
For projects exceeding 2 dwellings, dwellings over 300m ² , conversions and flats please contact the Building Surveying Team for an individual quote				
3	Garages up to 60m ²	66	304	370
4	Extensions up to 6m ²	90	260	350
5	Extensions over 6m ² and up to 40m ²	135	360	495
6	Extensions over 40m ² and up to 100m ²	170	480	650
For extensions exceeding 100m ² or for first floor extensions please contact us for an individual quote				
7	Loft Conversions up to 40m ²	250	250	500
8	Loft Conversions over 40m ² and up to 100m ²	350	300	650
For extensions exceeding 100m ² or for first floor extensions please contact the Building Surveying Team for an individual quote				
9	Garage or Basement Conversion under 40m ²	90	240	330
10	Installation of single steel beam or lintel	60	140	200
11	Installation of Boiler or Electrical works up to £10000	200	0	200
12	Alterations up to the value of £1000	150	Included in Plan Charge	150
13	Alterations from £1001 to £5000	290		290
14	Alterations from £5001 to £10,000	100	240	340
15	Alterations from £10,001 to £25,000	160	280	440
For alterations exceeding £25,000 please contact us for an individual quote				

Table 2 – STANDARD NON-DOMESTIC CHARGES INCLUDING VAT

Please contact the Building Surveying Team to discuss service provision and an individual quote if the work you are proposing does not appear in this table. If the application is for more than one element or a combination of elements please call to discuss a discount.

Element	Description of Work	Plan Charge	Inspection Charge
16	Extensions up to 6m ²	130	310
17	Extensions over 6m ² and up to 40m ²	170	400
18	Extensions over 40m ² and up to 100m ²	330	480
For extensions exceeding 100m ² please contact us for an individual quote			
19	Raised Storage Platform up to 50m ²	190	300
20	Shop Fitting up to 500m ²	140	290
21	Alterations up to the value of £1000	150	Included in Plan Charge
22	Alterations from £1001 to £5000	290	
23	Alterations from £5001 to £10,000	125	240
24	Alterations from £10,001 to £25,000	190	280

Regularisation Applications

The amount of the Regularisation Fee for any work is 120% of the net Building Notice fee. No VAT is payable on Regularisation Applications.