



DERBY CITY COUNCIL

**PLANNING CONTROL COMMITTEE
21 OCTOBER 2010**

Report of the Director of Planning and
Transportation

ITEM 9

BUILDING CONSULTANCY THE BUILDING (LOCAL AUTHORITY CHARGES) REGULATIONS 2010

SUMMARY

- 1 This report informs Planning Committee about revisions to the Building (Local Authority) charge regulations and to note the adoption of them.

RECOMMENDATION

- 2.1 To note the changes to the Building Regulation Charges that took effect from 1 October 2010.

REASONS FOR RECOMMENDATION

3. For information only

SUPPORTING INFORMATION

- 4.1 Local Authorities have been empowered to charge for building control functions since 1979. Up until 1999 the level of charges had been prescribed by central government. In April 1999 revised regulations came into force with no prescribed fees and which delegated power to the local authority to establish their own. These charge regulations embodied a number of overriding principles in particular that:
 - a) the Building Control function should be fully cost recoverable through charges.
 - b) charges should reflect both value for money and competitiveness within the context of an external funded trading environment.
 - c) charges should maintain the quality of service to ensure competition did not drive down standards by using price as the only comparator
- 4.2 Although a radical departure from the previously prescriptive system, the 1998 Regulations have over time proved to be inflexible for the demands of the rapidly changing commercial landscape within which the service operates.

- 4.3 Since 1985 Local Authority Building Control competes with the private sector “Approved Inspectors” who are active within the Building Regulations market. Clients- homeowners, architects and developers- all have the option to use either the Council service or a private sector alternative. This level of active competition has to date been a positive influence in shaping what is widely recognised as a responsive client-orientated service. Despite this, there is an acknowledgement that each project lost to a competitor erodes the Council's direct influence over the quality of construction within the City. Private sector Building Regulation providers are frequently more focussed on their immediate business objectives, often to the detriment of wider social values and principles.
- 4.4 As a consequence of representations by Local Authorities to the Department of Communities and Local Government (DCLG), they have acknowledged the need to modernise the charges regulations. This latest version is more in keeping with current commercial thinking. Whilst the regulations came into force from 1st April 2010, they were only approved by parliament in late March 2010 so there was a flexible implementation period extending to 1st October 2010, in order to ease the administrative burden on Local Authorities.
- 4.5 The primary purpose of the revised regulations is to build on previous aims to deliver a transparent charging regime, resulting in fairer and more accurate charges. Previous principles of full cost recovery, value for money and the end user pays for the service provided, have all been retained.
- 4.6 There are a total of fifteen separate regulations, the majority of which are unchanged. A number of amendments are minor in nature with the objective of clarifying previous anomalies. The principle changes within the 2010 regulations are intended to give the Council greater flexibility and thus an ability to compete fairly for work. Two of the more significant changes are regulation 7, which allows the Council to calculate fees based on an estimate of the building control service hours spent on the project, and regulation 11 which allows the Council to raise additional charges when the building control work it undertakes exceeds the original charge. In this instance, projects undertaken by inexperienced or ill prepared people are likely to generate a higher degree of officer interactions and time in order to secure compliance. Client expectations are frequently that the service is without limits. In the past this has generated extremes, whereby clients employing qualified, reputable builders may receive less than ten inspections, whilst others opting to use poorly qualified inexperienced builders receive more than twice that number.
- 4.7 Building Consultancy already operates Inspection frameworks agreed with builders at the start of a project and sets out the anticipated frequency of visits alongside the stages of construction to which they apply. This inspection framework is issued directly to the homeowner. Where the inspection frequency starts to progress towards the maximum allocated, the site surveyor will make the contractor and homeowner aware, and review options.
- 4.8 Should inspections continue to be necessary beyond the point to which they are funded, then additional site inspection charges will be incurred. These will be calculated using the standard hourly charge out rate for the service. A completion certificate will be withheld pending receipt of this payment.

- 4.9 The overriding purpose of the Building Regulations is to ensure that new or altered buildings are compliant with the relevant building regulation minimum technical standards. The service has evolved from a traditional enforcement activity to one which aims to work positively with customers to achieve solutions making many pre-contravention interventions every day.
- 4.10 Unfortunately this approach is not always positively received and as is all too apparent in that the market sustains both individuals/companies who actively seek to bypass the system, ignore regulations and in doing so build to a poor standard. We will continue to work to meet the needs of the client base in a positive manner.

OTHER OPTIONS CONSIDERED

5. No other options considered as it is government legislation.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Service Director(s) Other(s)	
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For more information contact: Background papers: List of appendices:	Mick Henman 01332 255006 e-mail mick.henman@derby.gov.uk None Appendix 1 – Implications
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IMPLICATIONS

Financial

- 1 The Council's Building Control service has always sought to balance fee income against the cost of the service in line with the charges regulations. These changes should give the Council greater flexibility to achieve this.

Legal

- 2 None arising directly from this report.

Personnel

- 3 None arising directly from this report

Equalities Impact

- 4 The revised Regulations stipulate that an authority cannot charge for work where the work is directly linked to a person with a disability. Building Consultancy deals with over 60 of this type of projects annually, which are funded from the general funds rather than directly from the charge related income.

Health and Safety

5. Part of current national Building Regulations ensuring health, safety and welfare in and around buildings.

Carbon commitment

6. Building Regulations are the fundamental instrument controlling carbon emissions.

Value for money

7. The new Building Regulations charges have been set to recover the full cost of the service.

Corporate objectives and priorities for change

- 8 An effective Building Control Service is an integral part of the development process by ensuring that buildings support the health, safety and welfare of persons who own or use them