

Development Control Committee – 10th March 2014

Report of the Director of the Urban Environment

Planning Services Fees – 2014/2015

Purpose of Report

1. To consider the proposals within the report with regard to the setting of the Council's Building Regulation Fee Scales to take effect from 1st April 2014 and non statutory Development Control Charges, and the intention to continue to use the Consumer Prices Index (CPI) for Planning Obligations in accordance with Council Policy.

Building Control

2. Building Control exists to ensure the health and safety of users of buildings, to promote energy efficiency and to ensure reasonable access for all, and it is the duty of local authorities to enforce the regulations through determining applications and site inspections.
3. Since 1985 legislation has been in place to enable the service to be provided by the private sector in competition with local authorities. Local authority fee scales, therefore, need to be competitive with those of the private sector.
4. In October 2010, following The Building (Local Authority Charges) Regulations 2010, Dudley MBC Building Control introduced fees by fixing charges at a level that ensures income fully recovers the costs associated with the relevant Building Control functions.
5. Under the 2010 Regulations, Local Authorities are required to set their charges by relating the "hourly rate" of their Building Control staff to the average time spent carrying out the chargeable functions associated with a building project. This allows for standard charges to be applied for various categories of works or for bespoke quotations to be provided to clients on larger, more complex projects.

6. Following reviews of the existing fee scheme it is proposed to increase the fees in line with Council Policy of 2% to cover inflationary pressures. The 2% is an approximate figure as the actual fee will need to be rounded up or down to the nearest pound. This increase is considered to be the maximum amount necessary in order to retain a competitive fee structure. It should be noted that this is the first increase since the current fee scheme was introduced on 1st October 2010.
7. The existing fee levels are shown in Appendix A. A revised fee scale has been prepared and is shown in Appendix B, in accordance with The Building (Local Authority Charges) Regulations 2010, and will be published at least seven days before the implementation date.

Planning Obligations

8. The use of planning obligations to secure financial developer contributions towards the delivery of local infrastructure is a key and well-established element of the planning system, and is required on certain planning applications depending on the scale and nature of development.
9. There is a need to index link planning obligations as a failure to do so would result over time in insufficient contributions being secured and the use of inflationary indices for planning obligations is an established principle which is set out in the Planning Obligations SPD (approved in September 2011) and is supported by the Department of Community and Local Government (DCLG) publication entitled '*Planning Obligations: Practice Guidance*' (2006).
10. The index used is Consumer Price Index (CPI), and the current rate is 2.0%. (The rate was 2.7% in 2013/14). The 2014/15 financial year costings are set out in the amended Supplementary Planning Document, which is included as Appendix C to this report.

Development Control Non Statutory Fees

11. Development Control carry out a small number of non statutory functions including providing copies of decision notices and supply of scale plans to members of the public whilst non essential it is generally considered that they add value to the planning service by enhancing the statutory function provided.
12. When setting fees for the non statutory services the increase is reflective of the supporting administration and technical costs. See Appendix C for non statutory development control fees.
13. During 2005 a case was presented to the Information Commission regarding excessive charging for copies of planning information known as the Markinson ruling. The outcome determined that Local Authorities may not exceed the cost of providing the information (costs include paper, photocopy charge and postage) and it should not include the cost of staff time. The ruling suggested Public Authorities should generally adopt a 10p per sheet for the cost of photocopying. This ruling does not affect the right to exceed this charge for information supplied on a commercial basis.

14. It is proposed to add inflationary increase to these nominal charges only. The charges for 2014/15 is as shown in Appendix D.

Finance

15. The proposal is considered to accord to the provisions of the Building (Local Authority Charges) Regulations 2010, and has been designed to maximise income to the Council and meet increased budget income targets, without, as required, generating excess surplus.
16. The underlying requirement of the new Regulations is that the fees charged are appropriate for the works undertaken in exercising chargeable Building Control functions. It is always difficult to accurately predict the building control income as this is subject to building activity and the overall economic situation. The current economic climate makes this prediction even more uncertain. However, the new regulations should ensure that income derived by the Authority from performing chargeable functions and providing chargeable advice will equate to the costs incurred in performing chargeable functions and providing chargeable advice.
17. The Regulations require that an annual review of the charges is undertaken to ensure that this overriding objective is met.
18. The Development Control fees included within this report are non-statutory and any charge is to cover administrative and technical costs of providing the service only.
19. All monies received are receipted and banked in line with Council policy, as a result of the Markinson ruling it remains uneconomical to collect, receipt and bank fees for small amounts received from members of the public.

Law

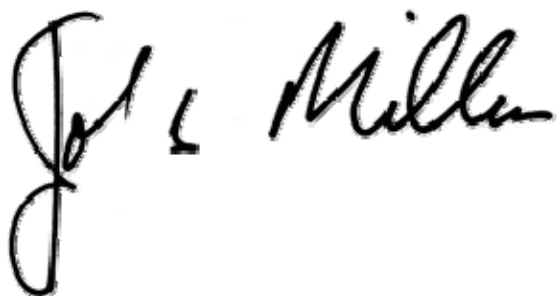
20. Charges are made under the Building (Local Authority Charges) Regulations 2010, the controlling legislation being the Building Act 1984.

Equality Impact

21. This report complies fully with the Council's Policy on equal opportunities.
22. The Building (Local Authority Charges) Regulation 2010 specifically exempt from the requirement to charge a fee in connection with work solely for the purpose of securing greater health, safety, welfare or convenience of people with disabilities where the works are in connection with their permanent residence or to an existing building to which members of the public are admitted.

Recommendation

23. It is recommended that Committee: -
- a. Endorse the inflationary increase of 2% of the existing Building Control Fee Schedule outlined in Appendix B.
 - b. Note the continued use of Consumer Price Index in Planning Obligations costings as outlined in Appendix C, and in accordance with the adopted SPD "Planning Obligations".
 - c. Endorse the fee schedule for Development Control Non Statutory Fee Charges as outlined in Appendix D.



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List of Background Papers

The Building (Local Authority Charges) Regulations 2010:
<http://www.legislation.gov.uk/uksi/2010/404/contents/made>

Current Dudley MBC Building Control Charges:
<http://www.dudley.gov.uk/resident/planning/building-control/making-an-application/>

CIPFA Local Authority Building Control Accounting Guidance