

<b>Report on</b>	Consultation on Building (Prescribed Fees) (Amendment) Regulations (Northern Ireland) 2022
<b>Date of Meeting</b>	6 <sup>th</sup> December 2021
<b>Reporting Officer</b>	William Wilkinson

<b>Is this report restricted for confidential business?</b>  If 'Yes', confirm below the exempt information category relied upon	Yes	
	No	X

<b>1.0</b>	<b>Purpose of Report</b>
1.1	To advise Members on the Consultation forwarded by the Department of Finance, inviting a response on the proposed Amendments to the Building (Prescribed Fees) Regulations.
<b>2.0</b>	<b>Background</b>
2.1	Building Regulations apply to most building works and are principally in place to ensure the health, safety, welfare and convenience of people in and around buildings, and the conservation of fuel and power, the protection and enhancement of the environment and the promotion of sustainable development.
2.2	Building Regulations are enforced by a District Council's Building Control Officers and this primarily includes the following in relation to this function: <ul style="list-style-type: none"> <li>• Approval of plans</li> <li>• Site inspections</li> </ul>
2.3	The Prescribed fees Regulations were introduced in 1982 for relevant Building Control Applications. Before the introduction of fees, the cost of the Building Control function in District Councils were borne fully by ratepayers, rather than users of the service. The current Fees Regulations is The Building (Prescribed Fees) Regulations (Northern Ireland) 1997 (as amended) ("the Fees Regulations").
2.4	The Fee Regulations set out the level of fees that may be charged for each function. The prescribed functions include the following activities: <ul style="list-style-type: none"> <li>• Approval or rejection of plans or building notices</li> <li>• Inspection of works</li> <li>• Regularisation of unapproved work; and</li> <li>• Approval or rejection of type approval certificates</li> </ul>
2.5	In the current Fees Regulations, fees are set out in three schedules: <ul style="list-style-type: none"> <li>• Schedule 1 for one or more small domestic buildings</li> <li>• Schedule 2 for certain small buildings, extensions and alterations; and</li> <li>• Schedule 3 for all other work</li> </ul>

<p>2.6</p> <p>2.7</p>	<p>Since the introduction of the current fees regulations in November 1997, the fees have been amended only once in 2013 with a 20% uplift. A further 20% uplift was proposed in 2014, however this uplift did not happen due to the ongoing recession in the construction industry. Although the fees in Schedule 3 are based on estimated cost of works and have risen as prices have increased, the fees set by Schedule 1 and Schedule 2 are “fixed” and can only be changed through an amendment to the regulations</p> <p>The purpose of this consultation relates to the proposals to uplift fees set by Schedules 1 &amp; 2 of the Fees Regulations – See Appendices 4 and 5.</p>
<p><b>3.0</b></p>	<p><b>Main Report</b></p>
<p>3.1</p> <p>3.2</p> <p>3.3</p> <p>3.4</p> <p>3.5</p> <p>3.6</p>	<p>Over time the fall in the cost recovery of the service in relation to work as detailed in Schedule 1 and Schedule 2 has developed between the application fees set by the Schedules and the cost to District Councils of processing the Building Control applications. This has resulted in an effective shortfall in the fees income covering the cost of enforcement activity.</p> <p>Mid Ulster District Council received correspondence from Department of Finance regarding the Consultation on Building (Prescribed Fees) (Amendment) Regulations (Northern Ireland) 2022 – see Appendix 1, as well as the Prescribed Fees Consultation Proposals – see Appendix 2.</p> <p>The Department of Finance has identified a need to review the Fee Regulations to ensure the level of fees charged by District Councils for carrying out the building regulation functions follows the ‘user pays principle’. This means that the person using the service meets the full cost of the service.</p> <p>However to achieve this in line with fees charged by other administrations in the UK, significant uplifts would be required, in some cases more than doubling the current fee level. Both the Department and the District Councils recognise that a move to a 100% cost recovery model would therefore need to be achieved in a phased approach.</p> <p>In advance of the outcome of this review, as an interim step, the Department proposes to uplift the fees by way of amendment regulations to begin to address the shortfall experienced by district councils. The proposals are as follows:</p> <ul style="list-style-type: none"> <li>• Increase fees for both Schedules 1 and 2 by 17.5% from 1<sup>st</sup> April 2022</li> <li>• Increase fees for both Schedules 1 and 2 by a further 17.5% which would result in an overall increase of 35% from 1<sup>st</sup> April 2023.</li> </ul> <p>Considering that these fees have not been uplifted since 2013, it would appear that these proposals are reasonable in order to begin the process of reviewing the fees moving towards the goal of covering the cost of administering the Building Regulation function.</p>

3.7	Based on the current average annual income of £800,000 for the Building Control function, it has been estimated that there would be an increase of approximately £50,000 in year 1 and doubling to £100,000 thereafter.
<b>4.0</b>	<b>Other Considerations</b>
<b>4.1</b>	<b>Financial, Human Resources &amp; Risk Implications</b>
	Financial: Additional fee income to the Building Control Department as detailed
	Human: Within Current Resources
	Risk Management: Within Current Resources
<b>4.2</b>	<b>Screening &amp; Impact Assessments</b>
	Equality & Good Relations Implications: N/a
	Rural Needs Implications: N/a
<b>5.0</b>	<b>Recommendation(s)</b>
5.1	It is recommended that Members consider and agree the content of the attached draft consultation response on Building (Prescribed Fees) (Amendment) Regulations (Northern Ireland) 2022 – see Appendix 3.
<b>6.0</b>	<b>Documents Attached &amp; References</b>
6.1	Appendix 1 – Correspondence regarding Consultation on Building (Prescribed Fees) (Amendment) Regulations (Northern Ireland) 2022.
6.2	Appendix 2 – Copy of Consultation Proposals for amendments to the Prescribed Fees Regulations.
6.3	Appendix 3 – The Building (Prescribed Fees) (Amendment) Regulations (Northern Ireland) 2022 response.
6.4	Appendix 4 – Current Schedule 1 of the Fees.
6.5	Appendix 5 – Current Schedule 2 of the Fees.