

<b>Title:</b> <b>Proposed uplift to the fees charged by uplift the fees set by Schedule 1 and Schedule 2 of Building (Prescribed Fees) Regulations (Northern Ireland) 1997 (as amended)</b>	<b>Regulatory Impact Assessment (RIA)</b>		
	<b>Date:</b> August 2022		
	<b>Type of measure:</b> Secondary Legislation		
<b>Lead department or agency:</b> Department of Finance	<b>Stage:</b> Draft Consultation		
	<b>Source of intervention:</b> Domestic NI		
<b>Other departments or agencies:</b>	<b>Contact details:</b> Building Standards Branch		
	Properties Division, 6 <sup>th</sup> Floor Goodwood House		
	44-58 May Street, Belfast, BT1 4NN		

## Summary Intervention and Options

**What is the problem under consideration? Why is government intervention necessary?** (7 lines maximum)  
 The Building (Prescribed Fees) Regulations (Northern Ireland) 1997 (as amended) sets out the prescribed functions for which a district council may charge a fee in relation to applications for building regulations approvals. Since their introduction in 1982, the Fees Regulations have been amended on one occasion, in 2013, the fees set by Schedule 1 and Schedule 2 are “fixed” and can only be changed through an amendment to the regulations. Over time a “drift” in the relationship between the application fee and the cost in the provision of service has occurred and this difference has resulted in district councils struggling to resource their Building Control functions adequately

**What are the policy objectives and the intended effects?** (7 lines maximum)  
 The key objectives of the amendment are to set new prescribed fees payable to a district council in relation to prescribed functions to facilitate the duty placed on the council in the Building Regulations (Northern Ireland) Order 1979 (the 1979 Order) to “enforce building regulations in its district”.  
 The new amendment will address the disparity between the prescribed fee and the cost in the provision of service and ensure district council building control can continue to perform its statutory duty to enforce building regulations in its district and to deliver an affordable, high-quality service to those who use it.

**What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)** (10 lines maximum)  
**Option 1 – do nothing**  
 The status quo with no additional fee charges would be applied to applications. The cost of the building control functions prescribed in the Fees Regulations increasingly be borne by district councils.  
**Option 2 – new prescribed fees regulations**  
 This option would have involved the complete review of the Fees Regulations and the establishment of a new methodology to calculate new fees. Work in this is ongoing but is not at a stage to be utilised in this amendment.  
**Option 3 – incremental increase of fee charges**  
 An incremental increase of fee charges for applications to a district council for work to domestic buildings.  
**Option 3 was the preferred option.**

<b>Will the policy be reviewed?</b> It will be reviewed	<b>If applicable, set review date:</b> October 2025
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Cost of Preferred (or more likely) Option		
Total outlay cost for business £m	Total net cost to business per year £m	Annual cost for implementation by Regulator £m
0	£1.16m	0

<b>Does Implementation go beyond minimum EU requirements?</b>	<b>YES</b> <input type="checkbox"/>	<b>NO</b> <input type="checkbox"/>		
<b>Is this measure likely to impact on trade and investment?</b>	<b>YES</b> <input type="checkbox"/>	<b>NO</b> <input type="checkbox"/>		
<b>Are any of these organisations in scope?</b>	<b>Micro</b> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<b>Small</b> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<b>Medium</b> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<b>Large</b> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

**The final RIA supporting legislation must be attached to the Explanatory Memorandum and published with it.**

Approved by: Desmond McDonnell Date: 25 February 2022

# Summary: Analysis and Evidence

# Policy Option 1

Description: Do nothing, Status quo

## ECONOMIC ASSESSMENT (Option 1)

Costs (£m)	Total Transitional (Policy)		Average Annual (recurring) (excl. transitional) (constant price)	Total Cost (Present Value)
	(constant price)	Years		
<b>Low</b>	-		-	<b>Optional</b>
<b>High</b>	-		-	<b>Optional</b>
<b>Best Estimate</b>	<b>£0</b>		<b>£0</b>	<b>£0</b>

**Description and scale of key monetised costs by 'main affected groups'** Maximum 5 lines  
None

**Other key non-monetised costs by 'main affected groups'** Maximum 5 lines  
None

Benefits (£m)	Total Transitional (Policy)		Average Annual (recurring) (excl. transitional) (constant price)	Total Benefit (Present Value)
	(constant price)	Years		
<b>Low</b>	<b>Optional</b>		<b>Optional</b>	<b>Optional</b>
<b>High</b>	<b>Optional</b>		<b>Optional</b>	<b>Optional</b>
<b>Best Estimate</b>	<b>£0</b>		<b>£0</b>	<b>£0</b>

**Description and scale of key monetised benefits by 'main affected groups'** Maximum 5 lines  
None

**Other key non-monetised benefits by 'main affected groups'** Maximum 5 lines  
None

**Key Assumptions, Sensitivities, Risks** Maximum 5 lines  
Failure to revise the current fee charges as set out in the Fees Regulations would lead to an additional financial burden on district councils and place them in a position where they may have insufficient resources to carry out their statutory obligation to ensure that buildings are constructed, renovated or extended in accordance with the requirements of building regulations. If building work is not inspected and certified by Building Control officers it could lead to badly constructed, dangerous or inadequate living and working conditions.

## BUSINESS ASSESSMENT (Option 1)

<b>Direct Impact on business (Equivalent Annual) £m</b>				
<b>Costs: 0</b>	<b>Benefits:0</b>	<b>Net: - 0</b>		

## Cross Border Issues (Option 1)

**How does this option compare to other UK regions and to other EU Member States (particularly Republic of Ireland)** Maximum 3 lines  
With no change in the prescribed fees the amount charged locally will be considerably lower than in England and Wales, Scotland and the Republic of Ireland. With ratepayers paying for the provision of prescribed building control services unlike any other jurisdiction

Summary: Analysis and Evidence  
Description: new prescribed fees regulations

Policy Option 2

**ECONOMIC ASSESSMENT (Option 2)**

Costs (£m)	Total Transitional (Policy)		Average Annual (recurring) (excl. transitional) (constant price)	Total Cost (Present Value)
	(constant price)	Years		
<b>Low</b>	£0.005M		£3.25M.	<b>Optional</b>
<b>High</b>	£0.015M		£3.45M	<b>Optional</b>
<b>Best Estimate</b>	£0.01M		£3.35M.	
<p><b>Description and scale of key monetised costs by 'main affected groups'</b> Maximum 5 lines Individuals and developers who construct new dwellings or alter or extend existing dwellings will be most affected by the new prescribed fees regulations. Transitioning to a fee that covers 100% of the district council cost of activity of carrying out their prescribed function would result in an additional £3.35M charged in prescribed fees due to the difference between the current prescribed fee and the cost of performing the activity.</p>				
<p><b>Other key non-monetised costs by 'main affected groups'</b> Maximum 5 lines None</p>				
Benefits (£m)	Total Transitional (Policy)		Average Annual (recurring) (excl. transitional) (constant price)	Total Benefit (Present Value)
	(constant price)	Years		
<b>Low</b>	Optional		Optional	<b>Optional</b>
<b>High</b>	Optional		Optional	<b>Optional</b>
<b>Best Estimate</b>	0		0	<b>0</b>
<p><b>Description and scale of key monetised benefits by 'main affected groups'</b> Maximum 5 lines None</p>				
<p><b>Other key non-monetised benefits by 'main affected groups'</b> Maximum 5 lines New fees regulations would ensure that Building Control is fully resourced to fulfil councils' statutory obligation under the 1979 Order to enforce the building regulations in their area and would also address the known anomalies with the existing Fees.</p>				
<p><b>Key Assumptions, Sensitivities, Risks</b> Maximum 5 lines Costs generated based on 2019/20 application numbers. This option would take considerable time to deliver new fees regulations and would not address in the intervening time period the current burden placed on district councils in providing additional resourcing to the building control service</p>				

**BUSINESS ASSESSMENT (Option 2)**

Direct Impact on business (Equivalent Annual) £m		
<b>Costs:</b> £3.35M.	<b>Benefits:</b> 0	<b>Net:</b> - £3.35M.

**Cross Border Issues (Option 3)**

**How does this option compare to other UK regions and to other EU Member States (particularly Republic of Ireland)** Maximum 3 lines

After the introduction of new prescribed fees regulations the amount charged locally will broadly equivalent to those than in England and Wales. Scotland and the Republic of Ireland would still charge more for the provision of this service

**Summary: Analysis and Evidence**

**Policy Option 3**

Description: incremental increase of fee charges

**ECONOMIC ASSESSMENT (Option 3)**

Costs (£m)	Total Transitional (Policy)		Average Annual (recurring) (excl. transitional) (constant price)	Total Cost (Present Value)
	(constant price)	Years		
<b>Low</b>	0		£1.1M	£1.1M
<b>High</b>	0		£1.22M	£1.22M
<b>Best Estimate</b>	0		£1.16M	£1.16M

**Description and scale of key monetised costs by 'main affected groups'** Maximum 5 lines

Individuals and developers who construct new dwellings or alter or extend existing dwellings will be most affected by the increase in fee charges. In 2021-22 after the first increment the total increase in fees will cost these groups £0.68M over 28,000 applications, after the second increment is implemented this will increase to £1.16M.

**Other key non-monetised costs by 'main affected groups'** Maximum 5 lines

None

Benefits (£m)	Total Transitional (Policy)		Average Annual (recurring) (excl. transitional) (constant price)	Total Benefit (Present Value)
	(constant price)	Years		
<b>Low</b>	Optional		Optional	Optional
<b>High</b>	Optional		Optional	Optional
<b>Best Estimate</b>	0		0	0

**Description and scale of key monetised benefits by 'main affected groups'** Maximum 5 lines

None

**Other key non-monetised benefits by 'main affected groups'** Maximum 5 lines

The new fees will provide district councils with additional income per application, reducing the burden placed by the building control on the general finances of the district council. It will also ensure that Building Control is better resourced to fulfil councils' statutory obligation under the 1979 Order to enforce the building regulations in their area.

**Key Assumptions, Sensitivities, Risks** Maximum 5 lines

Assumes no costs for District Councils on implementing new fees as it is an update of the current system. Income generated based on 2019/20 application numbers.

**BUSINESS ASSESSMENT (Option 3)**

<b>Direct Impact on business (Equivalent Annual) £m</b>				
<b>Costs:</b> £1.16M.	<b>Benefits:</b> 0	<b>Net:</b> - £1.16M.		

**Cross Border Issues (Option 3)**

**How does this option compare to other UK regions and to other EU Member States (particularly Republic of Ireland)** Maximum 3 lines  
After the proposed uplift in prescribed fees the amount charged locally will still be considerably lower than in England and Wales, Scotland and the Republic of Ireland

## Evidence Base

### 1. Problem under consideration

- 1.1. The Building Regulations (Northern Ireland) Order 1979 places a duty on a district council to “enforce building regulations in its district” and clarifies that a district council has “to ascertain after taking all reasonable steps in that behalf, (that) the requirements of building regulations as to matters of any prescribed description are satisfied in any particular case”. The Order also authorises “district councils to charge prescribed fees for or in connection with the performance of prescribed functions of theirs relating to building regulations”.
- 1.2. Prescribed fees were introduced locally for applications for building regulations approvals in 1982. Before the introduction of fees, the cost of the building control function in district councils here was borne by ratepayers.
- 1.3. The Building (Prescribed Fees) Regulations (Northern Ireland) 1997<sup>1</sup> (as amended) (“the Fees Regulations”) sets out the prescribed functions for which a district council may charge a fee in relation to applications for building regulations approvals for the construction, renovation or alteration of buildings. The regulations also set the level of fee that may be charged for each function. Other activities undertaken by Building Control (including other building regulations activities) are rate borne.
- 1.4. The prescribed functions are:
  - approval or rejection of plans or building notices;
  - inspection of works;
  - regularisation of unapproved work; and
  - approval or rejection of type approval certificates
- 1.5. In the current Fees Regulations, fees are set out in three schedules to the regulations:
  - Schedule 1 for one or more small domestic buildings;
  - Schedule 2 for certain small buildings, extensions and alterations; and
  - Schedule 3 for all other work.
- 1.6. Since their introduction in November 1997, the Fees Regulations have been amended on one occasion, by the Building (Prescribed Fees) (Amendment) Regulations (Northern Ireland) 2013<sup>2</sup>. Although the fees for applications under Schedule 3 are based on the 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.
- 1.7. Since the introduction of the Fees Regulations in 1997, the building regulations have seen significant amendment, general construction costs have more than doubled with an increase of 112% observed (RICS Building Cost Trends), housing construction costs have seen a greater increase of approximately 135%. (RICS Building Cost Trends). However since 1997 there has been one increase fees set by Schedules 1 & 2 of the Fees Regulations of 20%.
- 1.8. Managing Public Money NI (MPM NI) sets out a full cost recovery as the standard approach to setting fees for public services. This is where the user pays a fees that reflects the full cost of providing these services.
- 1.9. However to achieve this, in line with the fees charged in other administrations in the UK, significant uplifts would be required, in some cases more than doubling the current fee level. Both the Department and district councils recognise that a move to a 100% cost recovery model where the user pays for the service would therefore need to be achieved in a phased approach.

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<sup>1</sup> <https://www.legislation.gov.uk/nisr/1997/482/made>

<sup>2</sup> <https://www.legislation.gov.uk/nisr/2013/60/made>

## 2. Rationale for intervention

- 2.1. The current fees set by Schedules 1 & 2 of the Fees Regulations have not been amended since 2013 and stakeholders from district councils such as Building Control NI have told the Department they do not reflect fully the cost to councils of processing building control applications. This has resulted in major shortfalls in the fees income covering the cost of enforcement activity for the work set out in Schedule 1 and Schedule 2. Currently ratepayers are subsidising the users of this service
- 2.2. The Department worked with representatives from Building Control NI in to assess the cost of processing building control applications.
- 2.3. In assessing the cost of activity to district councils in discharging their prescribed functions two elements have been calculated:
  - the chargeable hourly rate incurred for building control staff; and
  - the time spent in undertaking each of the chargeable functions.
- 2.4. The chargeable hourly rate or local “Average Productive Hourly Rate” for building control functions was calculated using established guidance developed by the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 2.5. The CIPFA guidance sets out the parameters for determining which aspects of the building regulations service are chargeable and which are non-chargeable, and the methodology with which to calculate a productive hourly rate by using the income generated by these chargeable services. Using this methodology, the average productive hourly rate locally is at £56.62 based on returns from 5 of the 11 district councils. This compares to an average productive hourly rate of £70 in England and Wales.
- 2.6. A district council is obliged to take all reasonable steps to ensure that the requirements of the building regulations have been satisfied so that on completion of the works it may issue a certificate to that effect. Although a number of statutory notifications are set in the Building Regulations (Northern Ireland) 2012 (as amended), it is for Building Control to determine if inspections need to be undertaken in respect of these notifications and also the number of additional inspections needed to be undertaken (which may be a significant number on large scale constructions) to ensure a district council is compliant with its statutory duties.
- 2.7. District councils have provided a summary of the time they spend on for domestic and smaller non-domestic buildings. This was agreed with the Department and is summarised in Table 1.



**Table 1:** Time spent and associated cost of ensuring the requirements of the building regulations are satisfied

Type of Activity	Number of Hours spent on				Rate per hour	Cost of Activity
	Validation	Plan Check	Site Inspections	Total		
Small Domestic Extension (up to 20 m <sup>2</sup> )	0.5	1.5	3	5	£56.62	£283.10
Large Domestic Extensions (40m <sup>2</sup> to 60 m <sup>2</sup> )	0.5	2	4.5	7		£396.34
Roof space Conversions	0.5	2	4.5	7		£396.34
Small Dwellings (up to 250 m <sup>2</sup> )	0.5	3.5	7	11		£622.82
Installation or extension of domestic heating system	-	-	2	2		£113.24
Domestic Boiler replacement	-	-	1.5	1.5		£84.63

2.8. Table 2 details the cost for a number of types of activity against the fee currently charged under the Fees regulations. Over time a “drift” in the relationship between the application fee and provision of service has occurred and this difference has resulted in district councils struggling to resource their Building Control functions adequately, and currently in ratepayers subsidising the users of this service

**Table 2:** Cost of Activity vs. the Current Fee charged

Type of Activity	Cost of Activity	Current Fee	Shortfall	Percentage uplift required to deliver 100% Cost recovery
Small Domestic Extension (up to 20 m <sup>2</sup> )	£283.10	£120	£163.10	136%
Large Domestic Extensions (40m <sup>2</sup> to 60 m <sup>2</sup> )	£396.34	£216	£180.34	83%
Roof space Conversions	£396.34	£216	£180.34	83%
Small Dwellings (up to 250 m <sup>2</sup> )	£622.82	£300	£322.82	108%
Installation or extension of domestic heating system	£113.24	£120	-£6.76	-6%
Domestic Boiler replacement	£84.63	£72	£12.63	18%

### 3. Policy objective

- 3.1. The key objectives of the amendment are to set new prescribed fees payable to a district council in relation to prescribed functions to facilitate the duty placed on the council in the Building Regulations (Northern Ireland) Order 1979 (the 1979 Order) to “enforce building regulations in its district”.
- 3.2. The new amendment will address the disparity between the prescribed fee and the cost in the provision of service and ensure district council building control can continue to perform its

statutory duty to enforce building regulations in its district and to deliver an affordable, high-quality service to those who use it.

**4. Description of options considered (including do nothing), with reference to the evidence base to support the option selection;**

**4.1. Option 1 – Status quo, the prescribed fees remain at the level set by the 2013 Amendment**

This would have resulted in no additional fee charges would be applied to applications. The cost of the building control functions prescribed in the Fees Regulations provided by a district council would increasingly be borne by that council. The Department also has to be mindful of article 13(2)(c) of the 1979 Order which authorises “district councils to charge prescribed fees for or in connection with the performance of prescribed functions of theirs relating to building regulations”. This option was rejected as unsustainable and could lead to a lack of resources within district councils to fulfil their statutory obligation to enforce the building regulations, this position is supported through representations made to the Department by both Building Control NI and the Society of Local Authority Chief Executives NI

**4.2. Option 2 – New prescribed fees regulations following full review of existing Fees Regulations**

This option would have involved the complete review of the functions undertaken by district councils to address a number of issues including anomalies in the current fees legislation that exist at present. This would also result in the establishment of a methodology to calculate future prescribed fee charges to ensure 100% cost recovery for district councils in the performance of the prescribed function. Development work in these matters is ongoing but is not at a stage to be utilised in this amendment.

This option was rejected as the time taken to fully develop a new robust fee process that would be fair and equitable to all users would not address the current difficulties district councils are experiencing resourcing their building control functions. In addition, the potential fee increase that would result in 100% cost recovery to councils would see uplifts greater than 100% in some types of applications.

**4.3. Option 3 – incremental increase of fee charges (preferred option)**

This involves a change to the Fees Regulations to deliver an increase of fee charges for applications to a district council for work to domestic buildings in two increments. The department proposes to increase Schedule 1 & 2<sup>3</sup> fees by 17.5% in the first increment. The second increment would result in an overall increase in Schedule 1 & 2 fees by 35% against current fees. Table 3 provides an example of the proposed fees for Schedule 1 & 2 compared to the fees currently charged.

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<sup>3</sup> For certain types of work in Schedule 2 the fee has reduced or the increase has been capped to ensure the fee charged does not exceed the cost to the district council of providing that service

**Table 3: Proposed changes to Schedule 1 & Schedule 2 of the Prescribed Fees**

Type of Work	Fee		
	Current Fee	April 2022	April 2023
<b>Schedule 1</b>			
Single Dwelling less than 250m <sup>2</sup>	£300	£352.50	£405
10 Single Dwellings less than 250m <sup>2</sup> (two types)	£2,417	£2,839.98	£3,262.95
20 Single Dwellings less than 250m <sup>2</sup> (five types)	£4,111	£4,830.43	£5,549.85
50 Single Dwellings less than 250m <sup>2</sup> (five types)	£7,771	£9,130.93	£10,490.85
<b>Schedule 2</b>			
Garage/carport ≤ 40m <sup>2</sup>	£84	£98.70	£113.40
Unvented hot water storage system	£60	£70.50	£81
Dwelling extension ≤ 20m <sup>2</sup>	£120	£141	£162
Dwelling extension > 20m <sup>2</sup> ≤ 40m <sup>2</sup>	£180	£211.50	£243
Dwelling extension > 40m <sup>2</sup> ≤ 60m <sup>2</sup>	£216	£253.80	£291.60
Dwelling roof space conversion	£216	£253.80	£291.60
Replacement of a combustion appliance in a dwelling	£72	£84.60	£84.93
Installation or extension of a heating system in a dwelling	£120	£113.24	£113.24
Installation of microgeneration technologies in or on an existing dwelling	£120	£113.24	£113.24

The Department acknowledges that the proposed fee uplifts do not result in 100% cost recovery for district councils as set out in MPM NI. However, this is the preferred option, it is an interim step that in the short term, will go some way to address the major shortfall in the current fees income for councils. This will allow a full review of the Fees regulations address the complexities and anomalies that exist at present to commence and give all stakeholders the opportunity to contribute to this process.

## 5. Monetised and non-monetised costs and benefits of each option (including administrative burden)

### 5.1. Option 1 - Do nothing

**Monetised costs** – None

**Non-monetised costs** – None

**Monetised benefits** – None

**Non-monetised benefits** – None

**Administrative burden** – None

### 5.2. Option 2 - New prescribed fees regulations following full review of existing Fees Regulations

**Monetised Cost** - This would also result in the establishment of a methodology to calculate future prescribed fee charges resulting in 100% cost recovery for district councils. This methodology was used to calculate the average productive hourly rate and the cost of activity as presented in Table 1, this would be the level of fee that would be set by this option. When the difference between the current fees and the fees set to match the cost of activity is

applied against the numbers of applications to district council building control in 2019/20 the additional cost to those making applications would be between £3.25million and 3.45 million, with a best estimate of £3.35M. Table 4 provides a breakdown of the cost increases by application type.

**Table 4:** Cost for Option 2 by application type

Type of Application	Number of applications in 2019/20	Change in application fee	Increase in Cost (low estimate)	Increase in Cost (high estimate)
Small Dwelling (up to 250 m <sup>2</sup> )	7,531	£322.82	£2.43M	£2.43M
Domestic Extensions (≤ 60m <sup>2</sup> )	3,817	£163.10 - £216.34	£0.62M	£0.83M
Dwelling roof space conversion	331	£180.34	£0.06M	£0.06M
Garage/carport ≤ 40m <sup>2</sup>	162	£128.33	£0.02M	£0.02M
Replacement of a combustion appliance in a dwelling	11,350	£12.93	£0.15M	£0.15M
Installation or extension of domestic heating system	4,608	-£6.76	-£0.03M	-£0.03M
Installation of microgeneration technologies in or on an existing dwelling	149	-£6.76	-£0.001M	-£0.001M
<b>Total</b>	27,948	-	£3.25M	£3.45M

**Non-monetised costs** – None

**Monetised benefits** – The costs presented above are currently borne by the ratepayer, a benefit to moving to 100% cost recovery is the user pays for the service

**Non-monetised benefits** – Additional resources should lead to an improvement in service delivery and subsequently provide business with cost savings as this should improve turnaround times for building control applications.

**Administrative burden** – There will be a cost of between £5-15k in transition costs incurred by district councils

### 5.3. Option 3

**Monetised costs** – When the difference between the current fees and the fee after the second increment (35%) is applied against the numbers of applications to district council building control in 2019/20 the additional cost to those making applications would be between £1.1million and 1.22 million

**Table 5:** Cost for Option 3 after second increment by application type

Type of Application	Number of applications in 2019/20	Change in application fee	Increase in Cost (low estimate)	Increase in Cost (high estimate)
Small Dwelling (up to 250 m <sup>2</sup> )	7,531	£105	£0.79M	£0.79M
Domestic Extensions (≤ 60m <sup>2</sup> )	3,817	£42 - £75.60	£0.16M	£0.29M
Dwelling roof space conversion	331	£75.60	£0.03M	£0.03M
Garage/carport ≤ 40m <sup>2</sup>	162	£29.40	£0.004M	£0.004M
Replacement of a combustion appliance in a dwelling	11,350	£12.93	£0.15M	£0.15M
Installation or extension of domestic heating system	4,608	-£6.76	-£0.03M	-£0.03M
Installation of microgeneration technologies in or on an existing dwelling	149	-£6.76	-£0.001M	-£0.001M
<b>Total</b>	<b>27,948</b>	<b>-</b>	<b>£1.1M</b>	<b>£1.22M</b>

**Non-monetised costs** – None

**Monetised benefits** – The increase in fees would address the major shortfall in the current fees income for councils and reduce the burden on the ratepayer

**Non-monetised benefits** – Additional resources should lead to an improvement in service delivery and subsequently provide business with cost savings as this should improve turnaround times for building control applications.

**Administrative burden** – None, changes to the Building Control NI online fee calculator would be covered by their current provider as part of the service. Additionally, updating websites with new feeds would be included in their normal operations.

## 6. Risks and assumptions

6.1. As the further amendments are made to the Building Regulations (Northern Ireland) 2012 (as amended) and the Technical Booklet guidance, the disparity between the “drift” in the relationship between the application fee set by Schedules 1 & 2 and the cost to district councils of processing building control applications will continue to widen

6.2. Failure to revise current fee charges and other provisions of the Fees Regulations will to an additional financial burden on district councils and may put district councils in a position where they may have insufficient resources to carry out their statutory obligation to ensure that buildings are constructed, renovated or extended in accordance with the requirements of building regulations. If building work is not inspected and certified by Building Control officers it could lead to badly constructed, dangerous or inadequate living and working conditions.

## 7. Direct costs and benefits to business

### 7.1. Direct costs to Business

Developers who construct new dwellings or alter or extend existing dwellings will be most affected by the increase in fee charges. The uplift is implemented at the same level regardless of the number of dwellings included in the application, therefore the cost impacts are expected to be similar across all sectors (small, medium and large developers).

## 7.2. Benefits to business

There is a potential that the uplift to the prescribed fees will have a positive affect for business. If district councils are given an increase in fees this would go toward an improvement in service delivery and subsequently provide business with cost savings as this should improve turnaround times for building control applications.

## 8. Wider impacts (in the context of other Impact Assessments in Policy Toolkit Workbook 4, economic assessment and NIGEAE)

### 8.1. Equality Impact Assessment

An Equality Impact Assessment screening exercise was carried out and is published alongside the consultation. As this is an uplift to the fees charged by the Fees Regulations rather than a change in policy no equality concerns are noted

### 8.2. Rural Needs Impact Assessment

The Rural Needs Act (Northern Ireland) 2016 places a duty on public authorities in Northern Ireland to have due regard to rural needs when developing, adopting, implementing or revising policies. Although this is not a revision of the current policy in place but an uplift in fees a rural needs impact assessment was completed.

Anyone undertaking building work to which the Building Regulations apply will be subject to increases in building control fees (from April 2022 and then a further increase in April 2023) if the work falls within the remit of Schedules 1 and 2 of the Fees Regulations. This will apply across the whole of Northern Ireland to all areas, including rural ones. The provision of the building control service is the same whether in an urban or rural area.

## 9. Enforcement, Sanctions and Monitoring

9.1. The proposals in Option 3 will require amendment to Schedule 1 and Schedule 2 under regulation 5(a) and 5(b) of The Building (Prescribed Fees) Regulations (Northern Ireland) 1997.

9.2. District councils are authorised by the 1979 Order “to charge prescribed fees for or in connection with the performance of prescribed functions of theirs relating to building regulations”. The Fees Regulations set the fee charges that district councils may charge and also set provisions which applicants have to meet, principally to ensure that fees are payable at prescribed times.

9.3. Sanctions are included in the Fees Regulations, where applications made without being accompanied by the applicable fee are considered not to be a valid application. The regulations include a sanction that a completion certificate may not be issued until the inspection fee (or final instalment of the inspection fee) is paid to the district council.

9.4. The Department has quarterly meetings (Building Control Liaison Meetings) with the 11 District Councils in Northern Ireland. Feedback will be requested on an ongoing basis to ensure the set fees that are appropriate to the cost of district councils providing the statutory duty to enforce the requirements of the Building Regulations.

9.5. The public consultation process is contributing towards a full review of the Fees regulations, this will address the known anomalies in these regulations and the methodology used to set the level of fees.

## 10. Public Consultation

10.1. Building Standards Branch (BSB) has worked with representatives from Building Control NI in a Fees Working Group to assess the cost of processing building control applications. This proposed uplift will go some way to address the major shortfall in the current fees income for councils.

- 10.2. There is a statutory duty to consult the Northern Ireland Building Regulations Advisory Committee (NIBRAC) and such other bodies as appear to the Department to be representative of the interests concerned. This has been the principal forum for the Department's liaison with industry to date in developing these proposals.
- 10.3. BSB has an extensive database of names of individuals and organisations that have expressed a specific interest in building regulations. As well as directly contacting stakeholders with a known interest, this consultation exercise will also be promoted on the BSB Building Regulations homepage of the DoF website.
- 10.4. A public consultation was carried out from 11 October to 19 December.

This public consultation and the Department's response can be downloaded from [www.finance-ni.gov.uk/articles/building-regulations-consultations](http://www.finance-ni.gov.uk/articles/building-regulations-consultations) or a hard copy may be obtained from Building Standards Branch at:

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