

Appendix 1: Response to the Consultation on the Increase in Building Warrant Fees

Question 1.1: Do you agree building warrant fees should be increased to strengthen the building standards system in Scotland?

Strongly agree - Additional demands on building standards to strengthen and sustain the service need to be adequately financed and therefore the building warrant fees should be increased in line with inflation especially if the verification function is to be self-financing.

Question 1.2: - Do you agree that a proportion of the building warrant fee should be used to support a central Building Standards Hub?

Strongly agree - The work of the Hub will enhance and help standardise the service delivered by all local authorities, thereby improving the customer experience.

Being able to draw on specialist knowledge is extremely important to smaller Local Authorities, who often have to rely upon expensive third party specialists. Providing training, in a standardised way, to increase the professionalism of staff across Scotland should also be supported.

Whilst supportive in principle, further details of the cost of the Building Standards hub is required and how it is to be shared among Local Authorities. It is understood the expected cost would be about £1m per year. The costs to each authority are likely to be significant and more detail is required as to how the costs to each local authority are to be apportioned. It should be noted that the building warrant fees are being asked to finance significant costs: Local Authority Building Standards Services to be self-financing and to fund the Central Hub. Any increase must be proportionate to the scale of development and should not act as a deterrent to economic growth. This is particularly prevalent in a social and economic challenging area like West Dunbartonshire where the area is affected by downturns in national economic conditions, and slow to react to upturns in the economy, making development viability challenging.

In addition, the country is facing economic challenging times following the pandemic the additional income may not materialise together with more requirements on development in terms of sustainability and net zero. If the additional income does not materialise local authorities will have this additional cost, which is in effect a cut to their income at a time when Local Authorities are under severe financial constraints. These monies will have to be found from the local authority budget, in all likelihood, result in a cut to building standards budget and the quality of service provided.

Question 1.3 - Do you support the introduction of enhanced verification and certification auditing, monitoring and reporting of fee investment to support the implementation of the strengthened building standards system over the next 3 years?

It is agreed that there should be an open, honest and transparent use of the building warrant fees to provide a quality customer focussed building standards service. However as detailed above Local Authorities are facing severe financial constraints and the Building Standards service in years, where there is a fall income is not self-financing and the Council will subsidise the service. Equally, if there is an increase income the Council will require some of this income to be reinvested in the Council to offset the years were there has been a fall income. There is a fine balance to achieve in terms of building standards income and financing the service.

Question 1.4 - Do you agree that, before any planned increases or adjustments to building warrant fees in the second and third year, progress should be reviewed against suitable criteria towards the planned outcomes?

Yes - It seems reasonable to have a new fee calculation model that allows for future adjustments within 3-year lifespan of the model, which allows further research, evidence and reporting. This will allow the model to be fully assessed before further increases are introduced in year two and three given the fee income is intended to finance full cost recovery for the local authority, to part finance the Building Standards hub and to subsidise additional requirement for high-risk buildings. This increase finance support from the building warrant fee is require to be closely monitored in year one to ensure that it is fully meeting these new costs before planned increases are introduced in year 2 and 3. .

Question 2.1 - Do you support the introduction of an enhanced fee for High Risk Building warrant applications?

Support—An enhanced fee should be proportionate and fair to the additional work, as these projects often pay higher building warrant fees and as detailed above it should not be deterrent to economic growth and development. These developments are already facing higher costs in terms of increased building costs and enhanced requirements in terms of net zero and sustainability. .

Question 3.1 - Should a portion of building warrant fees be used to fund the local authority compliance enforcement role but only as it relates to the building warrant process?

No - Enforcement, as a statutory function, should be funded by annual grant aided expenditure. It is unfair to penalise the majority who comply with the system by having them pay more in fees to cover the costs of those who do not. The Building Warrant fee needs to be proportionate to the development and it cannot sustain a wide range of building standards functions without impacting negatively development viability and potential income.

Question 3.2 - Should a portion of building warrant fees be used to fund the local authority building standards wider statutory role covering both building

warrant compliance enforcement and dangerous and defective buildings?

No – The Building Standards function needs more robust legislation to enable the recovery of costs from owners of defective and dangerous buildings in a timely and cost effective way. Often Local Authorities have to find a budget to fund repairs to defective and dangerous buildings and often this involves significant costs with little or no guarantee that these costs will be repaid by owners. This is particularly challenging when Local Authority budgets are under increasing financial constraints.

Question 4.1 – Should building warrant fees be set at national or local level?

National level - There are many complexities to consider, not least how the centralised functions like the Hub would be fairly funded from each Local Authority, economies of scale for smaller local authorities, could fees higher in the local authority discourage development but likewise, could we deliver the required service with lower fees to attract development? It is not clear if these fees could be used as income generating for other services within a local authority, nor how this would affect increased Scottish Government scrutiny. With the strengthening of the building standards system, it will be difficult to know what level to pitch fees at. Further detail to support this is as follows:

- One of the purposes of setting building warrant fees locally is full cost recovery. This would be a complex exercise for Building Standard Authorities to engage with, taking up officer time and there would remain the inability to estimate what level of income will be received in any given year so full cost recovery could not be guaranteed.
- In areas like West Dunbartonshire which have a high percentage of contaminated land sites as well as other site related constraints Building Warrant fees are likely to be higher due to these upfront costs and additional resources required to resolve, this is likely to be a disincentive for developers who may develop in other less challenging Council areas which may have cheaper Building Warrant fees.
- May cause competition between different Councils in terms of setting Building fees therefore impacting on resources.
- Building Warrant fees are not ring-fenced, at present so there is currently no correlation between income and resources. Councils could ultimately raise fees for general income purposes rather than for full cost recovery, which would not benefit the Building Standards service.
- Recently the Planning Legislation has allowed the setting of discretionary fees for pre application discussions to be set locally and this Council having recently set them, this involved a lot of benchmarking and work by officers to get a fair and reasonable tier of fees.

Question 5.1 - Are there any proposals in this consultation which you consider impact or have implications on people with protected characteristics? Choose from the following options:

No – Not aware of implications on people with protected characteristics.

Question 5.2 - Do you think that any of the proposals in this consultation have any financial, regulatory or resource implications for you and/or your business (if applicable)?

Yes - The proposals will require additional resources and staff and therefore the additional fee income discussed in this consultation

Question 5.3 - Do you think that any of the proposals in this consultation have any impact or implications on island communities?

N/A

Question 5.4 - Do you think that any of the proposals in this consultation have any impact on the inequalities of outcome caused by socio-economic disadvantage?

Yes - An increase in fees will add to the costs of those making small home improvements as well as the larger developments. This may make the costs for those with a socio-economic disadvantage prohibitive to carrying out the works and thereby improving the building. It also has more impact in areas like West Dunbartonshire, which have social and economic challenges