

Explanatory Memorandum to Tynwald Members

Issued by the Department of Environment, Food and Agriculture

**To the Hon Clare Christian MLC, President of Tynwald and the Hon. Council
and Keys in Tynwald assembled**

1. Title of measure

Building (Fees) (No 2) Regulations 2016.

2. Changes in policy

None.

3. Effects of the measure

The Building (Fees) (No2) Regulations 2016 will provide the following:

- a) a new 2 year fee structure commencing firstly on 1st August 2016 and then subsequently on 1st August 2017;
- b) a year-on-year 2% increase in plans and inspection fees rounded up to the nearest £5 and applied to all fees; and
- c) the introduction of a maximum fee cap in accordance with the following:

In 2016:

- Plan fee – maximum cap of £36,000
- Inspection fee – maximum cap of £108,000

In 2017:

- Plan fee – maximum cap of £36,720
- Inspection fee – maximum cap of £110,160

The maximum cap figures have been reached following extensive cross-government Departmental engagement in the matter and involved officers from Treasury Strategic Assets Management Unit, DED Development Team, DOI Estates Shared Services and DOI Projects who have experience in capital construction projects in Government and the private sector.

4. Background

The Department sought to bring forward the Building (Fees) Regulations 2016 to March Tynwald 2016.

However, the Regulations were subsequently withdrawn from the March Tynwald Order paper because of the following:

- the identification of a small number of typographical errors in the Fees Regulations; and
- recent information received by the Department which if not acted upon by amending the proposed Fee Regulations accordingly may have risked planning application fees unduly impacting on economic development opportunities across the Island but in particular upon future medium to large development schemes.

In light of the foregoing, and following further detailed analysis of the matters raised, the Department is now proposing to bring forward the Building (Fees) (No. 2) Regulations 2016 for Tynwald approval in July 2016.

5. Reasons for the measure

The Building (Fees) Regulations were last reviewed in April 2013 wherein the Regulations set out a 3 year period of applicable fee charges. As of today, Building Regulation fees are charged on the basis of a fee structure which came into operation on 1st April 2015.

This proposed increase has been based upon the assumption for RPI of 2% rounded up to the nearest £5. Current arrangements for managing flood and storm damage risks.

6. Legal Powers or Legal Advice obtained

Section 1(1) of, and paragraph 5 of Schedule 1 to, the Building Control Act 1991.

7. Resource implications

None

8. Tynwald procedure

The Regulations are made by the Department under section 1(1) of, and paragraph 5 of Schedule 1 to, the Building Control Act 1991.

9. Change in Fees

Appendix A sets out the sets out the proposed fee changes in 2016 and 2017 as defined by the Building (Fees) (No 2) Regulations 2016.

Signed: on behalf of Department of Environment, Food & Agriculture

APPENDIX A**FIXED FEES – FEES WITH EFFECT FROM 1 AUGUST 2016**

<i>Type of work</i>	<i>Plan fee</i> £	<i>Inspection fee</i> £
1. Erection of a detached building which consists of a garage or carport or both having floor area not exceeding 50 m² in total and intended to be used in common with an existing building, and which is not an exempt building.	45	105
2. (a) Erection of an attached building which consists of a garage or carport or both having floor area not exceeding 50 m² in total and intended to be used in common with an existing domestic building, and which is not an exempt building. (b) Erection of an extension to an attached building which consists of a garage or carport or both having floor area not exceeding 50 m² (when added together) in total and intended to be used in common with an existing domestic building, and which is not an exempt building.	45	105
3. Installation of un-vented hot water system in accordance with Part G3 of Schedule 1 to the principal Regulations, if the installation is not part of a larger project and if the authority carries out an inspection.	Nil_	100
4. Any extension of a dwelling the floor area of which does not exceed 70 m² including means of access and work in connection with that extension.	110	280
5. Any extension or alteration of a dwelling consisting of the provision of one or more rooms in a roof space the area of which does not exceed 70 m² including means of access.	110	280
6. Any electrical installation proposed which is not part of any other application submitted for approval and it is not to be installed by a member of relevant self-certification Scheme under Regulation 28 of the Principal Regulations.	80	215

Note: VAT is not payable on plan or inspection fees.

APPENDIX A

FIXED FEES – FEES WITH EFFECT FROM 1 AUGUST 2017

<i>Type of work</i>	<i>Plan fee</i> £	<i>Inspection fee</i> £
1. Erection of a detached building which consists of a garage or carport or both having floor area not exceeding 50 m² in total and intended to be used in common with an existing building, and which is not an exempt building.	50	110
2. (a) Erection of an attached building which consists of a garage or carport or both having floor area not exceeding 50 m² in total and intended to be used in common with an existing domestic building, and which is not an exempt building. (b) Erection of an extension to an attached building which consists of a garage or carport or both having floor area not exceeding 50 m² (when added together) in total and intended to be used in common with an existing domestic building, and which is not an exempt building.	50	110
3. Installation of un-vented hot water system in accordance with Part G3 of Schedule 1 to the principal Regulations, if the installation is not part of a larger project and if the authority carries out an inspection.	Nil_	105
4. Any extension of a dwelling the floor area of which does not exceed 70 m² including means of access and work in connection with that extension.	115	290
5. Any extension or alteration of a dwelling consisting of the provision of one or more rooms in a roof space the area of which does not exceed 70 m² including means of access.	115	290
6. Any electrical installation proposed which is not part of any other application submitted for approval and it is not to be installed by a member of relevant self-certification Scheme under Regulation 28 of the Principal Regulations.	85	220

APPENDIX A

FIXED FEES FOR NEW SINGLE FAMILY DWELLINGS

FEES WITH EFFECT FROM 1 AUGUST 2016

(up to 300 square metre total floor area)

<i>Date of deposit of plans</i>	<i>Plan fee</i> £	<i>Inspection fee</i> £
After the commencement of these Regulations.	165	245

FEES WITH EFFECT FROM 1 AUGUST 2017

(up to 300 square metre total floor area)

<i>Date of deposit of plans</i>	<i>Plan fee</i> £	<i>Inspection fee</i> £
After the commencement of these Regulations.	170	250

Note: VAT is not payable on plan or inspection fees.

APPENDIX A

FEES BASED ON ESTIMATED COST OF WORK

FEES WITH EFFECT FROM 1 AUGUST 2016

<i>Estimated cost of work</i>		<i>Plan Fee</i>	<i>Inspection fee</i>
<i>Exceeding</i>	<i>not exceeding</i>	£	£
0	£2,000	45	60
£2,000	£4,000	60	90
£4,000	£6,000	75	105
£6,000	£10,000	105	180
£10,000	£14,000	120	270
£14,000	£18,000	135	320
£18,000	£24,000	150	405
£24,000	£30,000	155	450
£30,000	£40,000	235	735
£40,000	£50,000	275	800
£50,000	£60,000	350	1,065
£60,000	£100,000	435	1,305
£100,000	£140,000	540	1,590
£140,000	£180,000	685	2,060
£180,000	£240,000	865	2,555
£240,000	£300,000	1,065	3,170
£300,000	£380,000	1,260	3,785
£380,000	£480,000	1,605	4,825
£480,000	£680,000	1,885	5,635
£680,000	£1,000,000	2,450	7,305
£1,000,000		2,600	7,785
plus for each £100,000 or thereof above £1,000,000, up to the maximum specified below		420	1,235
Maximum fee payable		36,000	108,000

Note: VAT is not payable on plan or inspection fees.

FEES WITH EFFECT FROM 1 AUGUST 2017

<i>Estimated cost of work</i>		<i>Plan Fee</i>	<i>Inspection fee</i>
<i>Exceeding</i>	<i>not exceeding</i>	£	£
0	£2,000	50	65
£2,000	£4,000	65	95
£4,000	£6,000	80	110
£6,000	£10,000	110	185
£10,000	£14,000	125	280
£14,000	£18,000	140	320
£18,000	£24,000	155	415
£24,000	£30,000	160	460
£30,000	£40,000	240	750
£40,000	£50,000	285	820
£50,000	£60,000	360	1,090
£60,000	£100,000	445	1,335
£100,000	£140,000	555	1,625
£140,000	£180,000	700	2,105
£180,000	£240,000	885	2,610
£240,000	£300,000	1,090	3,235
£300,000	£380,000	1,290	3,865
£380,000	£480,000	1,640	4,925
£480,000	£680,000	1,925	5,750
£680,000	£1,000,000	2,500	7,455
£1,000,000		2,655	7,945
plus for each £100,000 or thereof above £1,000,000, up to the maximum specified below		430	1,260
Maximum fee payable		36,720	110,160