

Hourly Rate for the reimbursement of support provided to the Building Safety Regulator



As of 1st April 2024, the hourly rate for the reimbursement of support to the BSR for Durham County Council will be: -

£54.89 (excluding VAT)

The Building Safety Act 2022 (the Act) established the Building Safety Regulator (BSR) within the Health and Safety Executive. The BSR has three main functions:

- Leading implementation of the new regulatory regime for higher-risk buildings (which includes high-rise buildings).
- Helping and encouraging the built environment industry and building control professionals to improve their competence and organisational capability; and
- Overseeing the safety and standards of all buildings.

The Act makes provisions for regulations that authorise BSR to make and recover charges for, or in connection with, the performance of its relevant “chargeable” functions in accordance with a charging scheme published by it.

Following a public consultation, BSR made proposals for regulations and an underpinning BSR Charging Scheme.

The above rate has been authorised by Durham County Council’s Section 151 Officer. The calculation and evidence of how this rate has been calculated was prepared and has been retained for audit purposes. It is proposed that rates will be reviewed annually.

Extract of draft charging scheme (Annex A to DLUHC HSE letter to Heads of Building control)

To set fees and charges HSE follows a four-step activity-based costing process to cost the direct time required to deliver the relevant direct recoverable activities.

Step 1 – salary costs: identify the total forecast volume of effort and total payroll cost (salary, employers' national insurance and employers' superannuation) of the individuals involved in the direct delivery of the activity. This is calculated as an average hourly rate per grade and assumes a total of 220 available days in a working year allowing for weekends, leave and other absences.

Step 2 – attributable costs: this is costed staff effort that is directly linked to the chargeable activity and is material enough to justify direct attribution of the costs (for example, training and development effort linked to a specific capability, management oversight, guidance, cost of travel time, and direct administrative and management support).

Step 3 – indirect costs: identify expenditure that can be clearly linked to specific direct activities (for example, travel and subsistence costs and training costs). These are included in the hourly rates rather than charged on an actual basis to each project.

Step 4 – overheads: this category includes all the usual overheads such as:

- infrastructure costs (for example, information technology/desktop services and estates/facilities management).
- corporate services (for example, finance, procurement, HR, corporate learning and development, legal services, IT services, communications, senior management).
- depreciation and impairments of relevant fixed assets.

The sum of the costs identified through steps 1 to 4 divided by the total forecast direct hours, provides a full cost per hour rate for delivery of a specific cost recovery regime. This is a blended rate (meaning it includes administration and management time rather than these being charged separately) which seeks to recover the full cost of operating the regime. The accuracy of the activity assumptions and forecasts are reviewed annually and reported through a memorandum trading account in the HSE annual report and accounts which is audited by the National Audit Office.