

# **SOUTH THAMES GATEWAY BUILDING CONTROL JOINT COMMITTEE**

**8 DECEMBER 2011**

## **SOUTH THAMES GATEWAY BUILDING CONTROL BUSINESS PLAN 2011/2014**

Report from: Tony Van Veghel, Director, South Thames Gateway  
Building Control Partnership

### **Summary**

The report sets out revised proposals for the South Thames Gateway Building Control Draft Business Plan following consultation and seeks agreement of the revisions.

### **1. Budget and Policy Framework**

1.1 Following presentation of the draft Business Plan at Joint Committee on 27 September 2011 the Plan has now been circulated for comments and Joint Committee is required to agree any revisions.

### **2. Background**

2.1 The Joint Committee's Constitution sets out the process for approval of the Partnership's Business Plan each year and the timing required to ensure that each Partner Authority is able to incorporate associated budget requirements into the financial planning process for the subsequent year. The stages to this process are as follows:

- Before 1 October each year the Joint Committee is required to approve and send its draft Business Plan for the following year to each Partner Authority for comments
- Each Council has 35 days (from receipt) to provide comments to the Secretary of the Joint Committee on the draft Business Plan
- The Joint Committee is then required to meet to consider any comments received and agree any revisions to the draft Business Plan.
- By no later than 5 January the Joint Committee has to send a revised draft to each Partner Authority for their final approval.

- Each Partner Authority must advise the Secretary to the Joint Committee whether it approves or rejects the revised draft Business Plan by no later than 10 days before the Annual Meeting of the Joint Committee (The Joint Committee will formally adopt the Business Plan at its Annual meeting).
- 2.2 There are also provisions in the Constitution of the Joint Committee stipulating the process and timescales for agreeing amendments to the Business Plan during the course of each year.

### **3. Executive Summary**

- 3.1 The Business Plan (as set out in the exempt appendix) outlines how the building control function will be delivered on behalf of the three partnership Council's up until 2014 and indicates what the reduced contributions will be up until 2015.
- 3.2 Following the approval of the draft at Joint Committee in September 2011, the opportunity has been taken to update a number of the charts with half yearly data, amending the text where necessary. There has been no further amendments following the 35 day consultation period with the three authorities.
- 3.3 The plan presented to Members for final consideration indicates the five agreed objectives:
- To improve customer satisfaction by providing an effective and efficient administration and site inspection regime in particularly through improved use of information technology and communication.
  - To raise the profile of STG by developing a dynamic marketing strategy.
  - To provide a healthy, safe and accessible built environment, reducing the carbon footprint and contributing to sustainable construction.
  - To provide additional services through a consultancy to effectively compete with the private sector and generate additional income.
  - To reduce contributions by partner authorities by 30% over 4 year period (2011/15).

The plan also includes action plans and targets to achieve these objectives.

Our key projects for 2012/13 will be:

- Ensure all three partner authorities are ready to sign up for second term on 01 October 2012.
- Adopt or adapt IT system to deliver IT Strategy objectives.
- Enable customer self-service for tracking and searches.

- Increase use of mobile technology with the ability to update in real-time
  - Increase income from consultancy services by 5% over the 2011/12 figure.
  - Re-examine case for consultancy becoming a Local Authority Company.
  - Production of home and commercial owners packs to explain roles and responsibilities for each party within the building regulation process
- 3.4 In order to meet the requirements of each authority's reducing budgets we have reduced contributions by 34.42% over the four year life span of the business and financial plan reducing the percentage of contributions by 2% each year for 2011/12 onwards. Given the economic forecasts are still pessimistic with regard to growth in the construction market we have had to do this against a backdrop of low income expectations. Further staff rationalisation and savings on support and supplies and services costs have allowed for this reduction in contribution costs giving a total reduction of £130k between 2011 and March 2015. Details of the financial plan 2011-15 are shown in Appendix 1.
- 3.5 The resilience built into the Partnership allows us to further develop our customer services by training and developing staff to take on new roles and responsibilities intrinsically linked to their technical and professional skills. In this way we have been able to deliver a wide range of services through the consultancy arm of the Partnership incorporating party wall agreements, sustainability advice, energy, access and fire risk assessments. This together with providing clerk of works to the Decent Homes programme and condition surveys has assisted in creating a further reliable income stream into the Partnership as well as developing individual staff members.
- 3.6 In order to deliver staff efficiency savings it will be necessary to invest in IT improvements so as to relieve pressure on staff so that they can redirect their time into delivering additional and improved services. This will rely on an IT strategy that develops far more self service by customers. Over the next two years we will require enhancements to the software provision to allow for applicants to search against their property's building control history on-line, and the ability to track their applications through the building control process. We will also facilitate the ability for interactive electronic consultation with statutory and non-statutory consultees such as the fire and rescue service, water undertakers and other utilities as well as consulting engineers and advisers.
- 3.7 The life of the business plan extends beyond the agreed first term which was signed up for in 2007 to last for five years. The success of the Partnership in delivering quality services over a wider range of products and doing so in extremely challenging economic

circumstances has been endorsed unanimously by members of Joint Committee who will be recommending moving to a second term from October 2012. This endorsement recognised that the resilience shown by the Partnership over the last five years and the demonstrable value for money for each authority in reducing costs over this period, will allow for the possibility of expansion of the Partnership incorporating other authorities in the future.

#### **4. Financial Implications**

- 4.1 Appendix 1 of this report details the financial plan 2011-2015 showing expenditure, income and the reduction of contributions over the next 3 year period.
- 4.2 The yearly contributions from the constituent authorities are shown in this financial plan and will be ratified by the acceptance of the business plan,

#### **5. Legal Implications**

- 5.1 Where appropriate these are set out in the report and in the Business Plan. The Business Plan makes provision for partnership working with private architects. This will be done under the recognised Local Authority Building Control Partnership scheme.

#### **6. Recommendations**

- 6.1 The Joint Committee is asked to approve the updated version of the Business Plan now incorporating any comments received to refer it back to the Cabinet of each partner authority to approve the Final Draft Business Plan.
- 6.2 The Joint Committee is also asked to note the final contributions figures which will be included in each authority's budget planning process for 2012/13.

#### **7. Suggested Reasons for Decisions**

- 7.1 The Constitution of the Joint Committee requires approval of the business plan for the following year by the Cabinet of each Partner Authority.

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**Background papers:** Business Plan 2011/14

## Appendix 1

### Financial Plan

#### Three Year Budget Build and Contribution Calculation For 2012/2013 - 2014/2015

|  | <u>2010/11<br/>Budget</u> | <u>2011/12<br/>Budget</u> | <u>2012/13<br/>Budget</u> | <u>2013/14<br/>Budget</u> | <u>2014/15<br/>Budget</u> | <u>Budget<br/>Savings<br/>2010/11 to<br/>2011/12</u>                         | <u>Budget<br/>Savings<br/>2011/12 to<br/>2012/13</u>                         | <u>Budget<br/>Increase<br/>2012/13 to<br/>2013/14</u>                        | <u>Budget<br/>Increase<br/>2013/14 to<br/>2014/15</u>                | <u>Total<br/>Cumulative<br/>Savings</u>                           |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|--|--|--|--|---|
| Staffing                                   | 1,277,085                 | 1,113,858                 | 1,093,010                 | 1,108,188                 | 1,121,629                 | 163,227  | 20,848   | -15,178  | -13,441  | 155,456   |
| Premises                                   | 95,624                    | 95,624                    | 102,346                   | 102,346                   | 102,346                   | 0  | -6,722   | 0  | 0  | -6,722  |
| Transport                                  | 58,940                    | 55,740                    | 48,580                    | 48,580                    | 48,580                    | 3,200  | 7,160  | 0  | 0  | 10,360  |
| Supplies and Services                      | 98,875                    | 114,940                   | 104,942                   | 104,942                   | 104,942                   | -16,065  | 9,998  | 0  | 0  | -6,067  |
| Support Services                           | 70,498                    | 70,498                    | 58,210                    | 58,210                    | 58,210                    | 0  | 12,288   | 0  | 0  | 12,288  |
| <b>Total Cost:</b>                         | <b>1,601,022</b>          | <b>1,450,660</b>          | <b>1,407,088</b>          | <b>1,422,266</b>          | <b>1,435,707</b>          | <b>150,362</b>   | <b>43,572</b>  | <b>-15,178</b>   | <b>-13,441</b>   | <b>165,315</b>  |
|  |                           |                           |                           |                           |                           | <b>9.39%</b>   | <b>3.00%</b>   | <b>-1.08%</b>  | <b>-0.95%</b>  | <b>10.37%</b>   |
| Contributions                              | -432,276                  | -391,678                  | -351,772                  | -327,121                  | -301,498                  |  |  |  |  |   |
| Fee Income                                 | -1,168,746                | -1,102,052                | -1,102,052                | -1,117,052                | -1,147,052                |  |  |  |  |   |
| <b>Total Income</b>                        | <b>-1,601,022</b>         | <b>-1,493,730</b>         | <b>-1,453,824</b>         | <b>-1,444,173</b>         | <b>-1,448,550</b>         |  |  |  |  |   |
| <b>Net (surplus) / deficit</b>             | <b>0</b>                  | <b>-43,070</b>            | <b>-46,736</b>            | <b>-21,907</b>            | <b>-12,843</b>            |  |  |  |  |   |
| <b>Contribution<br/>Calculation</b>        | <b>2010/11<br/>Budget</b> | <b>2011/12<br/>Budget</b> | <b>2012/13<br/>Budget</b> | <b>2013/14<br/>Budget</b> | <b>2014/15<br/>Budget</b> |  |  |  |  |   |
| Fee Earning 79%                            |                           |                           |                           |                           | 1,134,209                 |  |  |  |  |   |
| Non Fee Earning 21%                        |                           |                           |                           |                           | 301,498                   |  |  |  |  |   |
|  |                           |                           |                           |                           | <b>1,435,707</b>          |  |  |  |  |   |
| Fee Earning 77%                            |                           |                           |                           | 1,095,145                 |                           |  |  |  |  |   |
| Non Fee Earning 23%                        |                           |                           |                           | 327,121                   |                           |  |  |  |  |   |
|  |                           |                           |                           | <b>1,422,266</b>          |                           |  |  |  |  |   |
| Fee Earning 75%                            |                           |                           | 1,055,316                 |                           |                           |  |  |  |  |   |
| Non Fee Earning 25%                        |                           |                           | 351,772                   |                           |                           |  |  |  |  |   |
|  |                           |                           | <b>1,407,088</b>          |                           |                           |  |  |  |  |   |
| Fee Earning 73%                            | 1,168,746                 | 1,058,982                 |                           |                           |                           |  |  |  |  |   |
| Non Fee Earning 27%                        | 432,276                   | 391,678                   |                           |                           |                           |  |  |  |  |   |
|  | <b>1,601,022</b>          | <b>1,450,660</b>          |                           |                           |                           |  |  |  |  |   |
| <b>Authority And<br/>Agreed Percentage</b> | <b>2010/11<br/>Budget</b> | <b>2011/12<br/>Budget</b> | <b>2012/13<br/>Budget</b> | <b>2013/14<br/>Budget</b> | <b>2014/15<br/>Budget</b> | <b>Reduction<br/>In<br/>Contribution<br/>From<br/>2010/11 to<br/>2011/12</b> | <b>Reduction<br/>In<br/>Contribution<br/>From<br/>2011/12 to<br/>2012/13</b> | <b>Reduction<br/>In<br/>Contribution<br/>From<br/>2012/13 to<br/>2013/14</b> | <b>Reduction In<br/>Contribution<br/>From 2013/14<br/>to 2014/15</b> | <b>Total<br/>Cumulative<br/>Reduction<br/>In<br/>Contribution</b> |
| Gravesham 20%                              | 86,455                    | 78,336                    | 70,354                    | 65,424                    | 60,300                    | 8,120  | 7,981  | 4,930  | 5,125  | 26,155  |
| Swale 27%                                  | 116,715                   | 105,753                   | 94,978                    | 88,323                    | 81,405                    | 10,961   | 10,775   | 6,656  | 6,918  | 35,310  |
| Medway 53%                                 | 229,106                   | 207,589                   | 186,439                   | 173,374                   | 159,794                   | 21,517   | 21,150   | 13,065   | 13,580   | 69,312  |
|  | <b>432,276</b>            | <b>391,678</b>            | <b>351,772</b>            | <b>327,121</b>            | <b>301,498</b>            | <b>40,598</b>  | <b>39,906</b>  | <b>24,651</b>  | <b>25,623</b>  | <b>130,777</b>  |
|  |                           |                           |                           |                           |                           | <b>9.39%</b>   | <b>10.19%</b>  | <b>7.01%</b>   | <b>7.83%</b>   | <b>34.42%</b>   |