

SOUTH THAMES GATEWAY BUILDING CONTROL JOINT COMMITTEE

13 December 2012

SOUTH THAMES GATEWAY BUILDING CONTROL BUSINESS PLAN 2012/2017

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 20 September 2012 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 outlines how the building control function will be delivered on behalf of the three partnership Council's up until 2017 and indicates what the reduced contributions will be between 2012 to 2017.

3.2 Following the approval of the draft at Joint Committee in September 2012, the opportunity has been taken to update a number of the charts with half yearly data, amending the text where necessary.

3.3 Following the consultation period a number of alterations were suggested by the partnerships' legal representative at Gravesham. Should Joint Committee consider the setting up of a Local Authority Company to further expand the consultancy services there will be a need to seek detailed and precise legal advice including the legal power to set up such a company as previous advice is now out of date.

3.4 Also EU procurement law is developing and includes the design of parameters for public authorities running services jointly. One area where constraint has begun to arise is where authorities step outside of their strictly public duties and directly compete with an existing private sector market **and** make profit from those services.

3.5 Items 5.10 and 5.11 have therefore been deleted as has the fourth bullet point under 7.3 which all related to Local Authority Company. The fifth bullet point has been amended to reflect that different delivery models will be examined in respect of both the partnership and the consultancy but will be subject to comprehensive legal advice. The title of the fourth objective in the plan has been amended to reflect current legal advice.

3.6 The amended 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 generate additional income.
- To continually review contributions by partner authorities to reflect reductions in expenditure.

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

Our key projects for 2013/14 will be:

- 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 30% over the 2012/13 budgeted figure
- Examine the use of different delivery models for the partnership
- Further expansion of the Partnership with the inclusion of new partner authority
- Identify new accommodation for the Partnership head office

3.7 In order to meet the requirements of each authority's reducing budgets we have reduced contributions by 18.15% over the five year life span of the plan. The next five year period is unlikely to show much growth with predictions of a likely fall in 2012, stabilisation in 2013 and possible growth of 4%-5% in 2014/15. However, by introducing new working practices with the increased efficiency through IT investment there will be a total reduction of £60,000 in contributions between 2012-17. Details of the financial plan 2012-17 are shown in Appendix 1.

3.8 The next phase of the Partnership will not only consolidate the successes of the past five years but continue the expansion of services, staff development and improved customer service which the investment of the three Partner Authorities has allowed.

4. Financial Implications

4.1 Appendix 1 of this report details the financial plan 2012-2017 showing expenditure, income and the reduction of contributions over the next 5 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 2013/14.

Lead officer contact

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Background papers

None

Financial Plan

Five Year Budget Build and Contribution Calculation For 2012/2013 - 2016/2017

	<u>2012/13</u> <u>Budget</u>	<u>2013/14</u> <u>Budget</u>	<u>2014/15</u> <u>Budget</u>	<u>2015/16</u> <u>Budget</u>	<u>2016/17</u> <u>Budget</u>	<u>Budget</u> <u>Increase</u> <u>2012/13 to</u> <u>2013/14</u>	<u>Budget</u> <u>Increase</u> <u>2013/14 to</u> <u>2014/15</u>	<u>Budget</u> <u>Increase</u> <u>2014/15 to</u> <u>2015/16</u>	<u>Budget</u> <u>Increase</u> <u>2015/16 to</u> <u>2016/17</u>	<u>Total</u> <u>Cumulative</u> <u>Increase</u> <u>From</u> <u>2012/13 to</u> <u>2016/17</u>
Staffing	1,093,010	1,108,773	1,129,538	1,145,138	1,158,543	-15,763	-20,765	-15,600	-13,405	-65,533
Premises	102,346	102,532	102,532	87,194	87,194	-186	0	15,338	0	15,152
Transport	48,580	46,580	46,580	46,580	46,580	2,000	0	0	0	2,000
Supplies and Services	104,942	108,030	108,030	108,030	108,030	-3,088	0	0	0	-3,088
Support Services	58,210	58,210	58,210	58,210	58,210	0	0	0	0	0
Total Cost:	1,407,088	1,424,125	1,444,890	1,445,152	1,458,557	-17,037	-20,765	-262	-13,405	-51,469
						-1.21%	-1.46%	-0.02%	-0.93%	-3.61%
Contributions	-351,772	-327,549	-303,427	-296,256	-291,711					
Fee Income	-1,102,052	-1,096,576	-1,141,463	-1,148,896	-1,166,846					
Total Income	-1,453,824	-1,424,125	-1,444,890	-1,445,152	-1,458,557					
Net (surplus) / deficit	-46,736	0	0	-0	-0					
Contribution Calculation	2012/13 Budget	2013/14 Budget	2014/15 Budget	2015/16 Budget	2016/17 Budget					
Fee Earning 80%					1,166,846					
Non Fee Earning 20%					291,711					
				0	0					1,458,557
Fee Earning 79.5%				1,148,896						
Non Fee Earning 20.5%				296,256						
				0	1,445,152					0
Fee Earning 79%			1,141,463							
Non Fee Earning 21%			303,427							
			1,444,890	0	0					
Fee Earning 77%		1,096,576								
Non Fee Earning 23%		327,549								
		1,424,125								
Fee Earning 75%	1,055,316									
Non Fee Earning 25%	351,772									
	1,407,088									
Fee Earning 73%										
Non Fee Earning 27%										
Authority And Agreed Percentage	2012/13 Budget	2013/14 Budget	2014/15 Budget	2015/16 Budget	2016/17 Budget	Reduction In Contribution From 2012/13 to 2013/14	Reduction In Contribution From 2013/14 to 2014/15	Reduction In Contribution From 2014/15 to 2015/16	Reduction In Contribution From 2015/16 to 2016/17	Total Cumulative Reduction In Contribution
Gravesham 20%	70,354	65,510	60,685	59,251	58,342	4,845	4,824	1,434	909	12,012
Swale 27%	94,978	88,438	81,925	79,989	78,762	6,540	6,513	1,936	1,227	16,216
Medway 53%	186,439	173,601	160,816	157,016	154,607	12,838	12,785	3,800	2,409	31,832
	351,772	327,549	303,427	296,256	291,711	24,223	24,122	7,171	4,545	60,061
						6.89%	7.36%	2.36%	1.53%	18.15%