

SOUTH THAMES GATEWAY BUILDING CONTROL JOINT COMMITTEE

13 JUNE 2013

SOUTH THAMES GATEWAY BUILDING CONTROL BUSINESS PLAN 2012-2017

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

Summary

This report seeks agreement to the South Thames Gateway Building Control Partnership's Business Plan and Service Delivery Documentation for 2012-2017.

1. Budget and Policy Framework

- 1.1 The Constitution for the South Thames Gateway Building Control Joint Committee specifies that the Business Plan shall be adopted at the Annual General Meeting.
- 1.2 This is an executive function and therefore would be subject to the call-in arrangements of the partner authorities. Specific parts of the plan, such as those surrounding retention and recruitment of staff, would be carried out in line with Medway Council's Constitution and human resources policies and procedures.

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. Director's comments

- 3.1 On 20 September 2012 the Joint Committee agreed a first draft of the STGBC Business Plan for 2012-2017 and invited each partner authority to provide its comments. The second draft of the Business Plan incorporated the comments received and was presented to Joint Committee on 13th December 2012.
- 3.2 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.
- 3.3 The approval of the draft at Joint Committee in September 2012, the opportunity has been taken to update a number of the charts with yearly data, amending the text where necessary.
- 3.4 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.
- 3.5 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.
- 3.6 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.

3.7 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

3.8 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.

3.9 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 In addition to this the constituent authorities are required to make contributions totalling £327,549 to fund non chargeable activities. These contributions are, for Gravesham £65,510, for Medway £173,601, and for Swale £88,438 and have been 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. Risk Management

- 6.1 Should chargeable applications and therefore income fall below expectations and outside of any mitigating proposals put forward to enable a zero based budget there may be further calls on the contributions from each of the partner authorities. However, this would be only applied for as a last resort.

7. Recommendations

- 7.1 The Joint Committee is asked to adopt the 2012-2017 Business Plan and Service Delivery Documentation.

8. Suggested Reasons for Decisions

- 8.1 The Joint Committee has a duty under the Memorandum of Agreement to formally adopt the Business Plan at the Annual General Meeting.

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Background papers

none

Appendix 1

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

	<u>2012/13 Budget</u>	<u>2013/14 Budget</u>	<u>2014/15 Budget</u>	<u>2015/16 Budget</u>	<u>2016/17 Budget</u>
Staffing	1,093,010	1,108,773	1,129,538	1,145,138	1,158,543
Premises	102,346	102,532	102,532	87,194	87,194
Transport	48,580	46,580	46,580	46,580	46,580
Supplies and Services	104,942	108,030	108,030	108,030	108,030
Support Services	58,210	58,210	58,210	58,210	58,210
Total Cost:	1,407,088	1,424,125	1,444,890	1,445,152	1,458,557
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
Gravesham 20%	70,354	65,510	60,685	59,251	58,342
Swale 27%	94,978	88,438	81,925	79,989	78,762
Medway 53%	186,439	173,601	160,816	157,016	154,607
	351,772	327,549	303,427	296,256	291,711