

Public Document Pack

Pennine Lancs Building Control Joint Committee

Thursday, 31st January, 2019

3.30 pm

Meeting Room A - Old Town Hall, Blackburn

AGENDA

1. **Pennine Lancs Building Control Joint Committee
Agenda**

PLBC Agenda 310119

2 - 33

Date Published: 23rd January 2019
Harry Catherall, Chief Executive



Pennine Lancashire

PENNINE LANCS BUILDING CONTROL COMMITTEE
Meeting
Blackburn Town Hall

Thursday, 31st January, 2019 @ 3.30 pm

AGENDA

Item No.	Issue	Notes	Page No.
1.	Welcome and Apologies	To welcome attendees to the meeting and receive any apologies for absence	
2.	Minutes	To approve as a correct record the Minutes of the last meeting held on 30 th October 2018.	5 - 8
3.	Additional Items of Business	To determine whether there are any additional items of business which, by reason of special circumstances, the Chair decides should be considered at the meeting as a matter of urgency.	
4.	Declarations of Interest	To receive any declarations of interest – if you declare an interest you should complete the appropriate form (available from the Committee Secretary) and, if necessary, seek advice on whether you can speak or vote on the item in question.	

5.	Exclusion of the Public	To determine which items, if any, the public are to be excluded from the meeting.	
6.	Public Question Time	To consider questions or statements received in writing from Members of the public by 4.00pm on the day before the meeting, on any issue within the remit of the Joint Committee	
7.	Questions by Non Executive Members	To consider questions or statements received in writing from Non-Executive Members by 4.00pm on the day before the meeting, on any issue within the remit of the Joint Committee	
8.	Budget and Income Monitoring	To provide the Joint Committee with Pennine Lancs. Building Control 2018/19 fee income monitoring information for the financial period October to December 2018/19.	9 - 12
9.	Performance Monitoring	To provide the Joint Committee with performance monitoring information updated to include period October to December 2018	13 - 26
10.	Budget 2018/19 to 2020/21	To provide the Joint Committee with Pennine Lancs BC Revised 2018/19 Budget and advise both BwD and Burnley of their partnership contributions, with the Pennine Lancs BC Original 2019/20 Budget and advise both BwD and Burnley of their partnership contributions, and with the Pennine Lancs BC Draft 2020/21 Budget and advise both BwD and Burnley of their estimated partnership	27 - 32

		contributions	
<u>Membership</u>		<u>Published</u>	
Councillor John Harbour		Wednesday, 23 January 2019	

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**MINUTES OF THE
PENNINE LANCS BUILDING CONTROL COMMITTEE**
Meeting held at
Burnley Town Hall
Tuesday 30th October 2018
@ 4.30 pm

NAME	TITLE	COUNCIL
Councillor Phil Riley	Deputy Leader and Executive Member for Regeneration	Blackburn with Darwen Borough Council
Councillor John Harbour	Deputy Leader and Executive Member for Housing and Leisure	Burnley Borough Council
Paul Gatrell	Head of Housing & Development Control	Burnley Borough Council
Nick Bargh	Head of Pennine Lancashire Building Control	PLBC
Denise Park	Deputy Chief Executive	Blackburn with Darwen Borough Council
Eric Dickinson	Democracy Officer	Burnley Borough Council

Item No.	Issue
1	Welcome and Apologies
	The Chair, Councillor Phil Riley, welcomed everyone to the meeting.
2	Minutes
	The Minutes of the last meeting, held on the 4 th September 2018, were approved as a correct record
3	Budget and Income Monitoring
	Purpose To provide the Joint Committee with Pennine Lancs. Building Control 2018/19 fee income monitoring information for the

	<p>financial period August and September 2018/19.</p> <p>Reason For Decision To ensure the Joint Committee is kept fully informed of Pennine Lancashire Building Control's budget position, income targets and performance.</p> <p>Decision That the Pennine Lancs. Building Control 2018/19 fee income monitoring information for the financial period August and September 2018/19 be noted.</p>
4	Performance Monitoring
	<p>Purpose To provide the Joint Committee with performance monitoring information updated to include period August and September 2018.</p> <p>Reason For Decision To ensure that the Joint Committee is kept fully informed of Pennine Lancashire's Building Control's operational performance against the targets set out in the Business Plan and the Policy and Procedures Manual.</p> <p>Decision That Pennine Lancashire's Building Control's performance monitoring data provided from August and September 2018 be noted.</p>
5	Building Regulation Charges 2019/20
	<p>Purpose To annually review the current 2018/19 published Scheme of Building Regulation charges in accordance with each Partner Authorities timetable for reviewing their respective Corporate Fees and Charges.</p> <p>Reason For Decision To meet the Joint Committee's statutory responsibility under the Scheme of Building Regulation charges.</p> <p>Decision That the Scheme of Building Regulation Charges set out in Appendix A be adopted, with an effective commencement date of 1st January 2019.</p>
6	Date of Next and Future Meetings
	<p>Decision That the next meeting be held at 4.30pm on Tuesday 22nd</p>

	January 2019 at Blackburn, and the following meeting during 2018/19 will take place on 18 th June 2019 at Burnley.
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PENNINE LANCS BUILDING CONTROL



DATE	22nd January 2019
PORTFOLIO	Pennine Lancashire Building Control
REPORT AUTHOR	Nick Bargh
TEL NO	01254 505024
EMAIL	nick.bargh@blackburn.gov.uk

Pennine Lancs. BC – Fee Income Monitoring 2018/19

PURPOSE

1. To provide the Joint Committee with Pennine Lancs. Building Control 2018/19 fee income monitoring information for the financial period October to December 2018/19.

RECOMMENDATION

2. That the Joint Committee notes the Pennine Lancs. Building Control 2018/19 fee income monitoring information for the financial period October to December 2018/19.

REASONS FOR RECOMMENDATION

3. To ensure the Joint Committee is kept fully informed of Pennine Lancashire Building Control's budget position, income targets and performance.

SUMMARY OF KEY POINTS

4. Appendix A – Q3 period fee income monitoring reflects the previously reported reduced activity within the month of December 2018 resulting in an Actual Budget 2018/19 figure of £71k which results in combined figure for Q1/ Q2/ Q3 of £274k which is £64k lower than the Original Budget 2018/19 figure of £338k for the same period; it is also £10k lower than the £284k recorded for the same financial period in 2017/18 and £29k lower than the £303k recorded for 2016/17.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

5. This latest downturn in fee earning income has resulted in the latest income forecast being indicated at £378k, £62k lower than the Original Budget 2018/19 figure of £440k. However, within the Budget Monitor report Fee Earning Income is noted at £390k based upon a three year average of previous years Fee Earning Income (£391k). Furthermore, the new 2019 PLBC Building Regulation charges are in place for the remaining final Q4 period.

POLICY IMPLICATIONS

6. None.

DETAILS OF CONSULTATION

7. Simon Ross, Finance Unit - Blackburn with Darwen Borough Council
Martin Dixon, Finance Unit - Burnley Borough Council
Paul Gatrell – Head of Housing and Development - Burnley Borough Council
Martin Kelly – Director Growth and Development - Blackburn with Darwen Borough Council;

BACKGROUND PAPERS

8. None.

FURTHER INFORMATION

PLEASE CONTACT: Nick Bargh

01254 - 505024

ALSO:

Pennine Lancashire Building Control - Fee Income Monitoring

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10		Latest Projection 2018/19 £
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Original Budget	Actual	
Month	2009/10 £	2010/11 £	2011/12 £	2012/13 £	2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2018/19	
April	-	43,761	25,167	35,942	32,063	52,141	47,504	40,089	22,750	27,137	36,468	36,468
May	-	26,944	32,788	41,820	53,489	32,008	35,793	31,262	20,647	24,629	23,999	23,999
June	-	75,398	43,747	29,022	38,116	25,250	44,026	27,764	42,450	50,636	38,820	38,820
Q1	-	146,103	101,702	106,784	123,668	109,399	127,323	99,115	85,847	102,402	99,287	99,287
July	-	57,857	41,189	35,790	38,521	38,470	31,703	36,663	32,115	38,308	27,278	27,278
August	-	33,892	36,498	45,017	41,946	30,435	27,951	32,235	31,551	37,635	45,882	45,882
September	20,001	79,656	32,362	27,630	27,727	30,283	22,611	34,370	44,842	53,489	30,252	30,252
Q2	20,001	171,405	110,049	108,437	108,194	99,188	82,265	103,268	108,508	129,432	103,412	103,412
October	75,300	33,794	32,557	52,466	40,420	28,608	37,751	47,438	42,063	50,174	35,692	35,692
November	21,288	44,056	25,101	24,713	29,880	35,208	41,803	29,972	28,284	33,738	25,145	25,145
December	62,483	22,112	18,869	23,301	20,256	23,513	25,616	23,327	19,014	22,681	10,220	10,220
Q3	159,071	99,962	76,527	100,480	90,556	87,329	105,170	100,737	89,361	106,593	71,057	71,057
January	48,457	24,388	28,490	43,950	38,056	22,870	26,947	24,843	19,499	23,259		23,957
February	27,790	51,987	29,498	34,292	29,964	25,907	28,934	31,499	43,899	52,364		53,935
March	58,373	42,864	29,911	32,114	26,290	49,938	40,800	32,921	21,754	25,950		26,729
Q4	134,620	119,239	87,899	110,356	94,310	98,715	96,681	89,263	85,152	101,573	-	104,620
Total	313,692	536,709	376,177	426,057	416,728	394,631	411,439	392,383	368,868	440,000	273,756	378,376
Financial Period												
April - February	255,319	493,845	346,266	393,943	390,438	344,693	370,639	359,462	347,114	414,050	273,756	351,648
March	58,373	42,864	29,911	32,114	26,290	49,938	40,800	32,921	21,754	25,950	-	26,729
Total	313,692	536,709	376,177	426,057	416,728	394,631	411,439	392,383	368,868	440,000	273,756	378,376

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ITEM NO	
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PENNINE LANCS BUILDING CONTROL



DATE	22 nd January, 2019
PORTFOLIO	Pennine Lancashire Building Control
REPORT AUTHOR	Nick Bargh
TEL NO	01254 505024
EMAIL	nick.bargh@blackburn.gov.uk

Performance Monitoring

PURPOSE

1. To provide the Joint Committee with performance monitoring information updated to include period October to December 2018.

RECOMMENDATION

2. That the Joint Committee notes the performance monitoring data provided.

REASONS FOR RECOMMENDATION

3. To ensure that the Joint Committee is kept fully informed of Pennine Lancashire's Building Control's operational performance against the targets set out in the Business Plan and the Policy and Procedures Manual.

SUMMARY OF KEY POINTS

4. Performance monitoring takes place on a continuous basis and the subsequent data is contained within Appendices 1-5.

Appendix 1 – records operational team performance with all targets being met within the required time periods.

Appendix 2 – highlights technical support team performance for October to December 2018 and all tasks except one were reported as being good or excellent. Task 1 was rated as poor with 50% of applications not being registered onto the Database system within the required audited time frame due to staff leave being taken at certain times throughout the

period leading up to Christmas. Further monitoring of this function will be carried out by the Business Support Team Leader.

Appendix 3 – indicates a summary of Building Regulations applications received and for 2018/19 combined Q1/ Q2/ Q3 period a total of 577no. applications were deposited which is higher than the previous year's 2017/18 combined figure of 548no. The month of December 2018 saw a downturn in submissions recorded - 34no.in total.

Appendix 4 - highlights site commencements and for 2018/19 combined Q1/ Q2/ Q3 period a total of 487no. site starts were registered which is significantly lower when compared with the previous year's 2017/18 Q1/ Q2/ Q3 figure of 612no. The month of December 2018 saw a downturn in recorded site commencements - 14no. in total reflecting the similar low number of registered applications during the Christmas period, traditionally a quieter time for construction activity.

Appendix 5 – contains data relating to private sector Approved Inspector (AI) activity within PLBC and the combined Q1/ Q2/ Q3 2018/19 figure of registered Initial Notices (IN) was recorded at 330no. IN which is an increase from the previous year's 2017/18 combined Q1/ Q2/ Q3 period figure of 269no. IN. Again, December 2018 reduced construction activity was also evidenced within the number of IN submitted at 15no.

Current AI market share percentage is at 38.4% for the year 2018/19.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

5. As reported further within the Fee Income Monitoring report, the latest income forecast is indicated at £378k, £62k lower than the Original Budget 2018/19 figure of £440k, due to the poor Q3 Fee Income return of £71k which was not aided by a low December 2018 return. However, within the Budget Monitor report Fee Earning Income is noted at £390k based upon a three year average of previous years Fee Earning Income (£391k).

POLICY IMPLICATIONS

6. None.

DETAILS OF CONSULTATION

7. Paul Gatrell - Head of Housing and Development - Burnley Borough Council;
Martin Kelly – Director of Growth and Development - Blackburn with Darwen Borough Council;

BACKGROUND PAPERS

8. None.

FURTHER INFORMATION

PLEASE CONTACT: Nick Bargh

01254 - 505024

ALSO:

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Performance Monitoring

Table 1. - Team performance (operational) October, November & December 2018			
		Target Met ✓	Target Not Met ✖
1.	Inspections requested before 10.00am will be visited on the same day.	✓	
2.	Plans deposited to be checked promptly, in all cases a check to be carried out and communication made with the applicant in less than 10 working days.	✓	
3.	Reports of dangerous structure to be attended to within the following time limits: i) Out of working hours – within one hour ii) During working hours – risk assessed as an emergency – within one hour iii) During working hours – risk assessed as a non-emergency same day	✓ ✓ ✓	
4.	Reports of non- domestic buildings open to access being attended to within the following time limits: i) Out of working hours – If risk assessed as an emergency within two hours, otherwise next day ii) During working hours – If risk assessed as emergency within two hours, otherwise same day	✓ ✓	

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PLBC Performance Monitoring

October, November & December 2018

APPENDIX 2

Table 2 - Team Performance (Technical Support) Blackburn Office							
Ref	Task & Criteria	P.I. Target <small>(working days)</small>	Level of Performance <small>based on number of anomalies found in audit</small>			Comment of Level of Performance	Action Required
			Poor <small>5 or more</small>	Good <small>2-4</small>	Excellent <small>0-1</small>		
1	BOOKING IN OF NEW APPLICATIONS To register all new applications onto the Database system within 3 working days from being received by PLBC.	3 days	✓			Met - 5/10 applications were input under the 3 days target. 5/10 took 4-6 days.	Whilst not an ideal result, the delays occurred when annual leave was being taken. Will monitor. No concerns.
2	FORMAL DECISION To register all decisions onto the Database system within 3 working days from the plan checking surveyor signing off.	3 days			✓	Met - 9/10 applications processed within the desired times. 1/10 took 4-6 days.	No Issues.
3	INVOICING To request an account no. from the Debtors team following Site Surveyor recording an application as commenced on the monthly Site Inspection register, not required payment if any, create & send out invoice, update database. Ensure transfers are placed on following month sheets.	Monthly			✓	Met - 10/10 applications approved within the desired times.	No Issues.
4	COMPLETIONS To carry out the Completion validation checks, if able complete and produce a Completion Certificate. Ensure queries are followed up and deferred onto next months sheets as necessary. Validation checks include: Final Inspection fee paid and Part P Electrical notification or paperwork received.	Monthly			✓	Met - 10/10 Completions had been correctly processed.	No Issues.
5	SEARCHES To process fee paying search lists 5 working days from receipt into PLBC to supplying the completed response proformas to the Land Charges team. A fee paying search maybe a Local Land Search from Solicitors or as a Con29 from private search companies. Search lists are received electronically into the PLBC teams generic email address: bc@penninelancsplace.org on almost a daily basis. This email address is checked each morning and afternoon. Requests made under the Freedom of Information or Environmental Information Regulations legislations are subject to their own legal timescales of 20 working days from receipt into the Council to response being given.	LA/Con29 5 days. EIRs 20 days		✓		Met - 7/9 LA & Con29 searches were processed within the required 5 days. 2/9 LA & Con29 took 6 & 9 days. Met - 1/1 EIR requests were dealt with in 14 working days.	No Issues.
6	DEMOLITION SECTION 80 To record Demolition Section 80 notices within 5 working days being received by PLBC. Recording consists of registering, issue a Section 81 notice and send out letters to statutory undertakers.	15 days			✓	Met - 4/5 were processed within 3 days. 1/5 took 18 days due to pending information being received and annual leave.	No issues.

NB. Due to the restrictions on extracting data from the existing Building Control database system, only manual audits are available and therefore a % sample of data is used from the Blackburn team in agreement with the Audit team for auditing of Technical Performance Monitoring.

Key: TSOs - Technical Support Officers

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Performance Monitoring

Table 3. - Summary of Building Regulation Applications Received
(includes regularisation & demolition applications)

<i>MONTH</i>	<i>2010/11</i>	<i>2011/12</i>	<i>2012/13</i>	<i>2013/14</i>	<i>2014/15</i>	<i>2015/16</i>	<i>2016/17</i>	<i>2017/18</i>	<i>2018/19</i>
APR	110	68	94	93	112	90	73	58	68
MAY	98	89	97	93	74	79	81	75	59
JUN	124	103	74	77	77	116	72	62	60
JUL	100	124	76	102	78*	94	109	57	73
AUG	81	90	84	83	78	71	85	66	80
SEP	107	73	77	81	73	75	75	75	65
OCT	73	89	82	87	96	82	87	64	63
NOV	84	64	59	85	62	78	67	50	75
DEC	54	62	49	59	58	64	63	41	34
JAN	80	64	74	103	67	77	59	52	
FEB	94	70	76	98	78	81	68	54	
MAR	135	77	80	106	109	97	94	54	
TOTAL	1140	973	922	1067	962	1004	933	708	577

*Typo, reported as 58 on Tues 9th Sept 14

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Performance Monitoring

Table 4. - Summary of Site Commencements

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
APR	99	61	51	67	83	109	72	65	42
MAY	55	78	102	87	39	70	34	61	76
JUN	160	158	84	70	79	71	67	78	61
JUL	118	112	82	74	58*	54	59	107	52
AUG	96	79	101	57	85	62	78	55	68
SEP	104	74	38	76	50	54	46	79	52
OCT	82	88	129	116	63	91	55	84	47
NOV	70	96	66	66	63	67	72	49	73
DEC	65	48	48	43	40	52	34	34	16
JAN	49	72	71	56	46	209**	43	23	
FEB	71	62	58	80	66	27	81	40	
MAR	87	49	71	54	42	102	47	47	
TOTAL	1,056	977	901	846	714	968	688	722	487

*Typo, reported as 78 on Tues 9th Sept 14

**Jan16 Plot adjustment on housing sites at Burnley Borough Council.& update system for future monitoring.

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Performance Monitoring

Table 5. - Summary of Schemes Notified as being subject to Private Sector Building Control

	Notifications received											
	(excludes solar panel, regularisation & demolition applications)											
	2010/ 11	2011/ 12	2012/ 13	2013/ 14	2014/ 15	2015/ 16	2016 / 17		2017 / 18		2018 / 19	
							Number of Initial Notices	Market Share % of Applications	Number of Initial Notices	Market Share % of Applications	Number of Initial Notices	Market Share % of Applications
APR	15	7	11	6	20	14	21	23.60%	24	31.17%	33	33.00%
MAY	2	5	10	5	20	16	17	18.52%	26	27.37%	36	39.13%
JUN	8	3	6	10	12	19	17	20.48%	34	35.79%	46	44.66%
JUL	7	11	5	14	14	10	28	21.87%	36	39.56%	41	37.96%
AUG	14	8	10	11	21	13	21	21.21%	35	35.71%	47	39.17%
SEP*	22	7	8	11	15	7	17	20.00%	24	25.81%	35	38.4%
OCT	10	13	20	21	15	13	21	20.59%	27	30.34%	49	46.23%
NOV	5	12	15	10	6	9	20	24.10%	32	41.03%	28	31.11%
DEC	4	5	4	12	8	14	16	22.22%	31	44.93%	15	31.25%
JAN	5	3	10	4	16	12	13	20.00%	36	42.35%		
FEB	9	9	11	12	6	23	31	31.63%	38	41.76%		
MAR	7	10	11	21	8	22	27	22.88%	38	43.18%		
TOTAL	108 8.94%	92 8.89%	121 11.6%	137 12.08%	161 12.08%	172 15.72%	249	22.35%	381	36.42%	330	38.42%

Apr 18 - Dec 18 inc

Bldg Reg Apps total 529. 61.58% (excludes 31x Regularisations & 17x Demolitions)

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PENNINE LANCS BUILDING CONTROL



DATE	22nd January 2019
PORTFOLIO	Pennine Lancashire Building Control
REPORT AUTHOR	Nick Bargh
TEL NO	01254 505024
EMAIL	nick.bargh@blackburn.gov.uk

Budgets – 2018/19 to 2020/21

PURPOSE

1.
 - i) To provide the Joint Committee with Pennine Lancs BC Revised 2018/19 Budget and advise both BwD and Burnley of their partnership contributions.
 - ii) To provide the Joint Committee with the Pennine Lancs BC Original 2019/20 Budget and advise both BwD and Burnley of their partnership contributions.
 - iii) To provide the Joint Committee with the Pennine Lancs BC Draft 2020/21 Budget and advise both BwD and Burnley of their estimated partnership contributions.

RECOMMENDATION

2.
 - i) That the Joint Committee notes the PLBC Revised 2018/19 Budget outlined in Appendix 1 and forecast partnership contributions of £160,145 and £88,142 for BwD and Burnley respectively.
 - ii) That the Joint Committee notes the PLBC Original 2019/20 Budget outlined in Appendix 1 and forecast partnership contributions of £187,639 and £103,274 for BwD and Burnley respectively.
 - iii) That the Joint Committee notes the PLBC Draft 2020/21 Budget outlined in Appendix 1 and forecast partnership contributions of £198,629 and £109,323 for BwD and Burnley respectively.

REASONS FOR RECOMMENDATION

- 3 i) To ensure the Joint Committee is kept fully informed of Pennine Lancashire Building Control budget position for 2018/19 to 2020/21 and details of partnership contributions, in accordance with Schedule 2 (Financial arrangements) of the PLBC SLA, in order that each party may be notified of their estimated annual contribution for inclusion in their own budget setting process for the following financial years.

SUMMARY OF KEY POINTS

4.

- i) Appendix 1 – the Revised 2018/19 Budget shows a Net Deficit of £248k, as compared to the Original 2018/19 Budget Net Deficit of £253k, a net budget saving of £5k, arising mainly from:
- £52k saving in employees costs attributed mainly to current vacant posts and delay in recruitment;
 - £8k saving in BwD support services due to reduced salaries costs;
 - £32k saving in premises, transport and supplies and services costs due to efficiency savings etc.
 - £8k saving in Special items purchase for the part initial implementation of a new IT system although this item is to be funded from the Building Control Reserve and delay on archiving implementation - see note 10;
 - £48k reduction in income, as reported regularly to the Joint Committee throughout the financial year.
 - £48k reduction in the required transfer from the Building Control Reserve, arising from a reduction in net Fee earning expenditure.

Consequently, this has resulted in an anticipated reduction in the 2018/19 Partnership contributions, which sees BwD's contribution at £160k (Original Budget £163k and Actual 2017/18 £119k), and Burnley's contribution at £88k (Original Budget £90k and Actual 2017/18 £66k).

- ii) Appendix 1 – the Original 2019/20 Budget shows a Net Deficit of £291k, as compared to the Draft 2019/20 Budget Net Deficit of £263k which was presented to and noted by the Joint Committee on the 23rd January 2018, indicating a net budget increase of £28k as a result of a reduction in Fee Earning Income of £35k as a result of reduction of staffing costs and the actual performance of Fee Earning Income in 2018/19 to date

Consequently, this has resulted in the following 2019/20 Partnership contributions, BwD's at £188k higher than the Original 2018/19 Budget figure of £163k (Actual 2017/18 £119k), and Burnley's contribution at £103k again higher than the Original 2018/19 Budget figure of £90k (Actual 2017/18 £66k).

- iii) Appendix 1 – the Draft Budget 2020/21 shows a Net Deficit of £308k, a budget increase of £17k from the Original Budget 2019/20 Net Deficit of £291k.

- iv) Appendix 2 – this shows a Building Control Reserve balance of £209k as at the 31st March 2018, and a forecast balance in the Building Control Reserve of £82k as at the 31st March 2021, after allowing for an £105k transfer from the Reserve for special items including £22k for the part initial investment in the implementation of a new IT system in 2018/19 and £50k for further financing of the new IT system and £30k for the archive scanning of records in 2019/20.

As previously noted the introduction of the new PLBC IT system will realise a reduction in BwD IT support costs so to accommodate, there will need to be an equivalent reduction within the BwD's Service Level Agreement (SLA) for providing Support Services, from 22% of salaries to 20% of salaries. A new PLBC IT system will also realise a significant reduction in Non-Fee earning work which, will enable more time to be allocated on attracting more Fee earning business opportunities and require the current expenditure split between Fee earning and Non- fee earning to be amended from the ratio of 60:40 to 65:35 in 2020/21.

The forecast Building Control Reserve balance of £82k as at 31st March 2021 is still above the SLA Building Control Reserve policy minimum retained balance of £65k, in order to provide the PLBC with a financial cushion and more business certainty.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

5. The Building Control Reserve fund, if income and expenditure projections are achieved, should see a balance of approximately £128k at the end of 2019/20.

Both BwD and Burnley have made sufficient provision in their 2019/20 budgets to meet the recommended 2019/20 partnership contributions of £188k and £103k respectively.

POLICY IMPLICATIONS

6. None.

DETAILS OF CONSULTATION

7. Simon Ross, Finance Unit - Blackburn with Darwen Borough Council;
Martin Dixon, Finance Unit - Burnley Borough Council;
Paul Gatrell - Head of Housing and Development - Burnley Borough Council;
Martin Kelly – Director of Growth and Development - Blackburn with Darwen Borough Council.

BACKGROUND PAPERS

8. None.

FURTHER INFORMATION

PLEASE CONTACT: Nick Bargh

01254 - 505024

ALSO:

Pennine Lancs BC - Budget Summary							Appendix 1		
	Year 7	Year 8	Year 9	Year 10		Year 11		Year 12	
	Actual 2015/16 £	Actual 2016/17 £	Actual 2017/18 £	Original Budget 2018/19 £	Revised Budget 2018/19 £	Draft Budget 2019/20 £	Original Budget 2019/20 £	Draft Budget 2020/21 £	
Expenditure									
Employees	443,174	433,449	418,325	520,595	468,513	542,729	534,399	555,534	
Premises related expenditure	21,168	17,086	20,482	18,150	18,300	18,700	18,700	19,250	
Transport related expenditure	21,319	21,489	19,370	22,500	22,500	23,000	22,500	23,000	
Supplies & Services	56,573	27,456	19,585	53,883	22,300	55,450	40,300	41,800	
Third party payments	20,057	14,092	33,908	15,000	15,000	15,000	15,000	15,000	
Third party payments - BBC	9,918	22,894	19,599	15,858	15,858	16,225	12,200	12,450	
Support services - BwD	75,197	71,448	66,476	76,318	67,833	79,095	77,815	80,918	
	647,406	607,914	597,745	722,304	630,304	750,199	720,914	747,952	
Special Items									
Replacement of Plotter	-	3,565	-	-	-	-	-	-	
New IT system - implementation	-	-	-	-	21,900	-	-	-	
Archive scanning of records	-	-	-	30,000	-	-	-	-	
	-	3,565	-	30,000	21,900	-	-	-	
	647,406	611,479	597,745	752,304	652,204	750,199	720,914	747,952	
Income									
Fee Earning Income	(411,439)	(392,383)	(368,869)	(440,000)	(390,000)	(455,000)	(420,000)	(430,000)	
Other Income	(11,859)	(13,062)	(17,059)	(10,000)	(12,000)	(10,000)	(10,000)	(10,000)	
	(423,298)	(405,445)	(385,928)	(450,000)	(402,000)	(465,000)	(430,000)	(440,000)	
Net Expenditure	224,108	206,034	211,817	302,304	250,204	285,199	290,914	307,952	
Transfer To / (From) Building Control Reserve	29,331	37,132	(27,281)	(49,498)	(1,918)	(22,629)			
Total Net Deficit	253,439	243,166	184,536	252,806	248,286	262,570	290,914	307,952	
Financed By :									
Blackburn with Darwen (64.5%)	163,468	156,842	119,026	163,060	160,145	169,358	187,639	198,629	
Burnley (35.5%)	89,971	86,324	65,510	89,746	88,142	93,212	103,274	109,323	
	253,439	243,166	184,536	252,806	248,286	262,570	290,914	307,952	
Special Items to be purchased in 2019/20 from reserve, see note 10									
New IT system - implementation							50,328		
Archive scanning of records							30,000		
							80,328		
Budget Assumptions									
1	Expenditure projections include all known contractual commitments and price increases, plus an additional £12k per annum in Supplies & Services budgets from 2019/20, for the on-going maintenance and training costs of the new IT system, as outlined in the Business case.								
2	Salaries are based on the staffing establishment required to run the Pennine Lancs. Building Control Service, and includes contractual increases for annual salary increments and 2.00% estimated pay award with effect from the 1st April 2019, and 2.00% estimated pay award with effect from the 1st April 2020								
3	The cost of Employer's Superannuation is now split between the pension cost of current employees (Primary rate) and pension cost of former employees (Secondary Rate) which has been estimated as follows :								
	Primary	Secondary							
2018/19	13.40%	7.60%							
2019/20	14.80%	7.60%							
2020/21	14.80%	7.60%							
4	BwD provides all Support Services, with the exception of Burnley IT costs.								
	Following the introduction of the new PLBC IT system there will no longer be a requirement for Burnley's £4k IT costs, so this cost will be removed from the Third Party payment in 2019/20.								
5	Burnley is currently paid an accommodation fee, in order to maintain a local Building Control officer presence.								
6	BwD's contribution for providing Support services is calculated as 22% of salaries, provided that income for each year does not fall below £290,000 and / or salaries costs do not fall below £315,000 per annum.								
	Following the introduction of the new PLBC IT system there will be a £6k reduction in BwD's IT support costs, as outlined in the Business case, so BwD's 2019/20 contribution for providing Support Services will be revised to 20% of salaries, provided that income for each year does not fall below £290,000 and / or salaries costs do not fall below £315,000 per annum.								
7	For 2018/19 and 2019/20 Expenditure is split 60:40 between Fee Earning and Non-Fee earning work respectively.								
	For 2020/21 Expenditure is split 65:35 between Fee Earning and Non-Fee earning work respectively, following the introduction of the new IT system, which should result in a significant reduction in Non-Fee work.								
8	2019/20 Fee Income has been reduced to reflect a reduction in staffing costs and the actual performance of income in 2018/19 to date.								
	2020/21 Fee income includes a £10k increase, based on a price increase in fees and charges with effect from 1st January 2020.								
9	The minimum balance to remain in the Building Control Reserve at any one time is £65k.								
10	Special items - includes £50,238 for the implementation of a new ICT system in 2019/20 and £30k for the archive scanning of records in 2019/20, both of which are to be funded from the PLBC Reserve. (The 2018/19 budget of £30k for the archive scanning of records will not be spent).								

Pennine Lancs BC - Building Control Reserve										Appendix 2					
										Transfer (To) / From Reserve					
			Total	Fee Earning	Fee Earning	Fee Earning	Net	Other	Special	Total	Fee	Non- Fee	Special	Total	Cumulative
	Year		Expenditure	Expenditure	Expenditure	Income	Fee Earning	Income	Items	Income	Earning	Earning	Items	£	Balance
			£	%	£	£	£	£	£	£	£	£	£	£	£
2009/10	1	Actual	508,802	63%	321,963	(321,963)	-	-	-	-	-	-	-	-	-
2010/11	2	Actual	839,024	69%	577,026	(656,303)	(79,277)	-	-	(79,277)	(79,277)	-	-	(79,277)	(79,277)
2011/12	3	Actual	723,498	60%	430,728	(384,880)	45,848	-	-	45,848	45,848	-	-	45,848	(33,429)
2012/13	4	Actual	686,395	60%	411,837	(447,572)	(35,735)	(9,824)	-	(45,559)	(46,315)	756	-	(45,559)	(78,988)
2013/14	5	Actual	684,925	60%	410,955	(425,189)	(14,234)	-	-	(14,234)	(14,234)	-	-	(14,234)	(93,222)
2014/15	6	Actual	674,034	60%	404,420	(426,729)	(22,309)	-	-	(22,309)	(22,309)	-	-	(22,309)	(115,531)
2015/16	7	Actual	647,406	60%	380,159	(423,298)	(43,139)	13,808	-	(29,331)	(29,331)	-	-	(29,331)	(144,862)
2016/17	8	Actual	607,914	60%	364,748	(405,445)	(40,697)	-	3,565	(37,132)	(40,697)	-	3,565	(37,132)	(181,994)
2017/18	9	Actual	597,745	60%	358,647	(385,928)	(27,281)	-	-	(27,281)	(27,281)	-	-	(27,281)	(209,275)
			5,969,743		3,660,483	(3,877,307)	(216,824)	3,984	3,565	(209,275)	(213,596)	756	3,565	(209,275)	
2018/19	10	Revised	630,304	60%	378,182	(402,000)	(23,818)	-	21,900	(1,918)	(23,818)	-	21,900	(1,918)	(211,193)
2019/20	11	Estimate	720,914	60%	432,548	(430,000)	2,548	-	80,328	82,876	2,548	-	80,328	82,876	(128,316)
2020/21	12	Estimate	747,952	65%	486,169	(440,000)	46,169	-	-	46,169	46,169	-	-	46,169	(82,147)
			8,068,913		4,957,383	(5,149,307)	(191,924)	3,984	105,793	(82,147)	(188,696)	756	105,793	(82,147)	