

## REPORT TO PENNINE LANCS BUILDING CONTROL



DATE	20 <sup>th</sup> January 2022
PORTFOLIO	Pennine Lancashire Building Control
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### Budgets – 2021/22 and 2022/23

#### PURPOSE

1. i) To provide the Joint Committee with Pennine Lancs BC Revised 2021/22 Budget and advise both BwD and Burnley of their partnership contributions.  
ii) To provide the Joint Committee with the Pennine Lancs BC Original 2021/22 Budget and advise both BwD and Burnley of their partnership contributions.  
iii) To provide the Joint Committee with the Pennine Lancs BC Draft 2022/23 Budget and advise both BwD and Burnley of their estimated partnership contributions.

#### RECOMMENDATION

2. i) That the Joint Committee notes the PLBC Revised 2021/22 Budget outlined in Appendix G and forecast partnership contributions of £176,811 and £97,315 for BwD and Burnley respectively.  
ii) That the Joint Committee notes the PLBC Original 2021/22 Budget outlined in Appendix G and forecast partnership contributions of £170,163 and £93,655 for BwD and Burnley respectively.  
iii) That the Joint Committee notes the PLBC Draft 2022/23 Budget outlined in Appendix G and forecast partnership contributions of £203,814 and £112,176 for BwD and Burnley respectively.

#### REASONS FOR RECOMMENDATION

3. To ensure the Joint Committee is kept fully informed of Pennine Lancashire Building Control budget position for 2021/22 to 2022/23 and details of partnership contributions; in accordance with Schedule 2 (Financial arrangements) of the PLBC SLA and 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. The Revised 2021/22 Budget shown in Appendix G forecasts a Total Net Deficit of £274,126, as compared to the Original 2021/22 Budget Net Deficit of £263,818. This small increase has arisen from increased employee costs attributed mainly to increased salaries following re-grades to reflect increased responsibilities of the Building Surveyors, recruitment of additional technical support team capacity, and funding of temporary consultants to cover vacant posts and long-term sickness absence.

Whilst costs are now expected to be higher than the original forecast, income is also expected to be higher. The original forecast income for 2021/22 was £395,000 whereas the latest forecast indicates income of £425,640.

Overall, the adjustments show an anticipated increase in the 2021/22 Partnership contributions, which sees BwD's contribution at £176,811 (Original Budget £170,163 and Actual 2020/21 £159,905), and Burnley's contribution at £97,315 (Original Budget £93,655 and Actual 2020/21 £88,009).

Fee Earning Income forecast has been increased to £415,640 from £322,461 for Original Budget 2021/22 to reflect recent actual performance of Fee Earning Income to date.

The Draft Budget 2022/23, shown at Appendix G, anticipates a Total Net Deficit of £315,990. This would result in a contribution of £203,814 for BwD and £112,176 for Burnley.

The Building Control Reserve balance, shown at Appendix H, was £154,326 as at the 31st March 2021, and a forecast balance in the Reserve of £148,506 is expected as at the 31st March 2022. This is after allowing for £14,451 to be added due to income increase, and a £20,271 transfer from the Reserve for special items for the continued financing of the new IT system. The forecast Building Control Reserve balance of £148,506 as at 31st March 2022 meets the required SLA Building Control Reserve policy minimum retained balance of £65k.

## **FINANCIAL IMPLICATIONS AND BUDGET PROVISION**

5. The Building Control Reserve fund, if income and expenditure projections are achieved, should see a balance of approximately £148,506 at the end of 2021/22. Both BwD and Burnley have made sufficient provision in their 2022/23 budgets to meet the recommended 2021/22 partnership contributions of £176,811 and £97,315 respectively.

## **POLICY IMPLICATIONS**

6. None.

## **DETAILS OF CONSULTATION**

7. Gaynor Simons, 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  
Simon Jones – Growth Director – Blackburn with Darwen Borough Council.

**BACKGROUND PAPERS**

8. Pennine Lancashire Building Control budget working papers (Appendix G and H).

**FURTHER INFORMATION**

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