



DATE	20th June 2017
PORTFOLIO	Pennine Lancashire Building Control
REPORT AUTHOR	Nick Bargh
TEL NO	01254 505024
EMAIL	nick.bargh@blackburn.gov.uk

Pennine Lancs. BC – 2016/17 Out-turn and Fee Income Monitoring 2017/18

PURPOSE

1. To provide the Joint Committee with Pennine Lancs. Building Control 2016/2017 out-turn figures and 2017/18 fee income monitoring information for the financial period April to May 2017.

RECOMMENDATION

2. That the Joint Committee notes the Pennine Lancs. Building Control 2016/17 out-turn figures and 2017/18 fee income monitoring information for the financial period April to May 2017.

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 – Actual 2016/17 fee income was £392k, and whilst this is £7k higher than the £385k Revised 2016/17 Budget forecast, it's still £28k lower than the £420k Original 2016/17 Budget forecast and £19k lower than the £411k Actual 2015/16.

Looking at the year ahead, April to May 2017/2018 has seen a positive start with a strong fee income return of £82k, in comparison with the previous years like-for-like income figure of £71k, which would indicate that the 2017/18 Original Budget forecast of £412k is still on target to be achieved.

Appendix B – PLBC Budget summary shows 2016/17 Actual expenditure of £611k, which is £139k lower than the £750k 2016/17 Original Budget forecast, £79k lower than the £690k Revised 2016/17 Budget forecast and even £36k lower than the £674k 2015/16 Actual.

The Actual 2016/17 shows a Net Deficit of £243k, as compared to the £254k Revised

2016/17 Net Deficit forecast, a net budget saving of £11k. This £243k 2016/17 Net Deficit figure is also £10k lower than the £253k 2015/16 Actual and, even more pleasing, a further £43k lower than the £286k Original Net Deficit forecast.

The £83k Actual to Revised 2016/17 Budget savings relate mainly to:

- £9k saving in employees costs attributed to a staffing re-structure and currently on-going vacant Principal and Senior Building Control Surveyor's post.
- £4k saving on premises and rents.
- £16k saving on supplies and services which includes a reduction in charges attributed to Capita hired services.
- £50k one-off saving attributed to delayed special item purchases relating to PLBC Replacement IT system.

The £4k Actual to Revised 2016/17 Budget overspends relate mainly to:

- £4k increase on third party payments to private contractors for work carried out on dangerous buildings although the vast majority of this expenditure is recovered by recharging to the owner of the properties.

PLBC Budget summary shows 2016/17 Actual income of £405k, which is £25k lower than the £430k 2016/17 Original budget forecast, £1k lower than the £406k 2016/17 Revised Budget forecast and £18k lower than the £423k 2015/16 Actual income.

Overall, therefore this has resulted in a reduction in the 2016/17 partnership contributions, which sees BwD's contribution at £157k (Original Budget £185k, Revised Budget £164k and Actual 2015/16 £163k), and Burnley's contribution at £86k (Original Budget £102k, Revised Budget £90k and Actual 2015/16 £90k).

Appendix C - the 2016/17 contribution to the Building Control Earmarked Reserve for the surplus income on fee-earning work is £41k. However, £4k of the Reserve has been used to fund the purchase of a plotter in the Blackburn office for use by both office bases which takes the overall balance in the Building Control Earmarked Reserve as at 31/03/17 to £182k.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

5. The £392k 2016/17 fee income was some £28k down from the £420k 2016/17 Original Budget forecast but as previously reported at the last Joint Committee meeting on 1st February 2017, the 2016/17 Revised Budget income forecast was reduced back down to £385k, which has resulted in a £7k higher income than the revised forecast.

The PLBC replacement IT system implementation is planned to go ahead in 2017/18 and therefore the Building Control Reserve fund monies will be utilised in this regard and, as previously reported at last year's PLBC Joint Committee AGM on 21st June 2016, the monies involved are expected to be in the region of between £61k and £87k for the initial investment to be funded from the Reserve and, between £16k and £19k for on-going revenue costs.

POLICY IMPLICATIONS

6. None.

DETAILS OF CONSULTATION

7. Simon Ross, Finance Unit - Blackburn with Darwen Borough Council
Stevan Snaith, Finance Unit - Burnley Borough Council
Paul Gatrell – Head of Housing and Development - Burnley Borough Council
Ian Richardson – Director Growth and Development - Blackburn with Darwen Borough Council;

BACKGROUND PAPERS

8. Pennine Lancashire Building Control budget working papers

FURTHER INFORMATION

PLEASE CONTACT: Nick Bargh

01254 - 505024

ALSO: