



## **NORTH YORKSHIRE BUILDING CONTROL PARTNERSHIP**

Wednesday 30 June 2010 at 1.30 pm

Offices of the North Yorkshire Building Control Partnership, Easingwold

### **Agenda**

- 1 **Election of Chairman**
- 2 **Appointment of Vice Chairman**
- 3 **Apologies for absence**
- 4 **Minutes of the last meeting held on the 24 March 2010** (Pages 1 - 4)
- 5 **Urgent Business**  
To receive notice of any urgent business which the Chairman considers should be dealt with at the meeting as a matter of urgency by virtue of Section 100B(4)(b) of the Local Government Act 1972.
- 6 **Declarations of Interest**  
Members to indicate whether they will be declaring any interests under the Code of Conduct.  
  
Members making a declaration of interest at a meeting of a Committee or Council are required to disclose the existence and nature of that interest. This requirement is not discharged by merely declaring a personal interest without further explanation.
- 7 **Statement of Accounts 2009/2010** (Pages 5 - 30)

8 **Performance Report** (Pages 31 - 38)

9 **Changes to Charges** (Pages 39 - 42)

**EXEMPT ITEM**

10 **RAF Building Contract** (Pages 43 - 44)

11 **Any other business that the Chairman decides is urgent.**

# Public Document Pack **Agenda Item 4**

## **North Yorkshire Building Control Partnership**

---

Held at Offices of the North Yorkshire Building Control - Easingwold  
on Wednesday 24 March 2010

### **Present**

---

Councillors Allanson, Baker, Cottam, Hemesley and Mackman

### **In Attendance**

---

David Archer, Mandy Burchell, Les Chapman Maurice Cann, Keith Dawson and Liz Hayes

### **Minutes**

---

#### **31 Apologies for absence**

Apologies for absence were received from Councillors Greenwell, Bastiman and Deans

#### **32 Minutes of the last meeting held on the 20 January 2010**

The minutes of the meeting of the Board held on 20 January 2010 were presented.

Two amendments were proposed:

Minute 29v be amended to read

“That payment of any surpluses to Richmondshire District Council would not take place until the deficit as at 31 March 2010 to the existing partners is fully refunded, and the reserves exceed £150,000

Minute 29 vii be amended to read

That a working party be arranged to review the structure from the 31 July 2010 following full details of the changes to Building Control Services nationally

Resolved: That the minutes of the Board held on 20 January 2010 as amended be approved and signed as a correct record

#### **33 Urgent Business**

There was no urgent Business

34 **Declarations of Interest**

No declarations of interest were received

35 **Proposed Budget 2010/2011**

Members considered a report which presented the revised budget for the financial year 2010/11.

A revised budget had been considered at the meeting on 20<sup>th</sup> January 2010 as a result of the enlargement of the partnership by the inclusion of Richmondshire District Council. At that meeting, no formal adoption had been made of the revised budget, which was a requirement for both internal and external auditing purposes.

An amendment was moved by Councillor Mackman and seconded by Councillor Cottam.

The amendment was "That the revised budget as set out in Annex A to the report as amended be adopted for a six month period and then revisited"

Upon being put to the vote the amendment was carried

Resolved: That the revised budget as set out in Annex A to the report as amended be adopted for a six month period and then revisited.

36 **Monitoring Statement**

Members considered a report which presented them with details of the financial performance of the Partnership for the months of April 2009 to February 2010 inclusive.

The overall deficit for the Partnership was £1,666 against a profiled original budgeted deficit of £27,240. The balance on the reserve account was £63,512. As at 28 February 2010 the partner authorities would have to contribute £73,512, (£18,378 each) in order to maintain a minimum balance on the reserve account of £10,000.

Resolved: That the financial performance of the North Yorkshire Building Control Partnership for the period 1 April 2009 to 28 February 2010 be noted.

37 **Revised Partnership Agreement**

Members considered a report which sought approval of the adoption of a revised legal agreement.

The legal agreement initially developed in 2001 when Ryedale and Selby building control functions merged had been amended over the years with the inclusion of Hambleton and Scarborough building control sections. The amendments which took place on an ad-hoc basis did not clearly reflect the operation and financial position of the Partnership.

Annexed to the report was a revised Partnership Agreement which incorporated revisions to the sharing of redundancy, severance and Partner termination costs.

Members suggested slight amendments to para 9.1, 9.1.3, 15.1 15.4.6 and 16.1, and an amendment to Schedule 1 para 5. Subject to these amendments it was

Resolved: That the variation to the Legal Agreement as set out in Appendix A of the report be adopted and issued for signature by each partner Council.

### 38 **Proposed Increase in Charges**

Members considered a report which sought approval for a revision to the Building Regulation Charges for the partnership for the financial year 2010/11.

In December 2009, revised charges as set out in appendix 1 to the report were approved which included an increase in the percentage of deposit charge for domestic extensions from £130 to £200 with a corresponding decrease in the inspection charge. Since the approval, it became apparent that a 50/50 split (plan checking/inspection) was more appropriate. The report proposed an increase in the plan charge by a further £30 for the domestic extension categories. The increase would improve cash flow slightly in the short term.

Resolved: That the scale of charges as set out in Appendix 1 be adopted with effect from 1 April 2010.

### 39 **Any other business that the Chairman decides is urgent.**

Members were informed of a requirement to appoint a new firm of external auditors, as the Partnership had exceeded the £1m income/expenditure threshold for the last 3 years.

Resolved: That Deloittes be appointed as external auditors to the North Yorkshire Building Control Partnership for the financial year 2009/2010.

40 **Exempt Information**

**Resolved:** That the press and public be excluded from the meeting during consideration of items 8 and 10 on the grounds that they contained information which related to the financial or business affairs of the Partnership, as provided by Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended). The public interest test has been considered and, in all the circumstances of the case, the public interest in maintaining the exemption is considered to outweigh the public interest in disclosing the information.

41 **Marketing Plan**

Members considered a report which sought approval for the Marketing plan annexed to the report to be approved.

The business plan had identified the need to develop a marketing plan to ensure that a consistent approach was made for the marketing of the service. The plan had been developed by the partnership to explore new ways of delivering the service through information technology, staffing resources and improved channels of communications with customers.

Members enquired if a trading company could be set up to aid the competitiveness of the partnership. It was agreed that a report would be bought to a future meeting on the integration and development of various IT systems to maximise efficiencies and deliver a customer facing service.

**Resolved:** That the Marketing Plan as set out in Appendix A be adopted.

42 **Business Plan 2010/2011**

Members considered a report which sought approval to adopt the Partnership Business plan for the year 2010/2011.

The original business plan was set out in accordance with Comprehensive Area Assessment requirements. The plan had been revised to take account of an increase in marketing to counter the downturn in the economic climate, integration of Richmondshire District Council's building control function, increased focus on the development and integration of IT systems to achieve maximum service efficiency to meet the expected increase in workload as the economic recovery began.

**Resolved:** That the Business Plan as set out in Appendix A be adopted.



## Ryedale District Council

---

**REPORT TO:** North Yorkshire Building Control Partnership Board  
**DATE:** 30 June 2010  
**REPORTING OFFICER:** Les Chapman, Building Control Manager  
**SUBJECT:** Partnership Accounts for the year ended 31 March 2010

---

### 1.0 PURPOSE OF REPORT

1.1 To present to Members for their approval the accounts of North Yorkshire Building Control Partnership for the financial year ended 31 March 2010.

### 2.0 RECOMMENDATIONS

i) Approve the Accounts of the Partnership for the financial year 2009/10.

### 3.0 BACKGROUND

3.1 The Accounts and Audit Regulations 2003 require that a meeting of the Board must approve the Annual Statement of Accounts. The Partnership has a statutory duty to approve its accounts for 2009/10 by 30 June 2010.

### 4.0 POLICY CONTEXT

4.1 The production of Annual Accounts is a statutory requirement.

### 5.0 REPORT

5.1 The accounts for the financial year ended 31 March 2010 are attached as Annex A for Members' consideration.

- 5.2** It should be noted that the Partnership is no longer classed as a 'small body' as its annual turnover has exceeded £1m for a period of three consecutive years. The accounts are therefore subject to statutory audit by Deloitte LLP as external auditor for Ryedale District Council, the host council.

#### Income and Expenditure Account

- 5.3** For the period 1 April 2009 to 31 March 2010, the overall operating deficit on the chargeable and non chargeable accounts is £50,861 (approved budgeted deficit £117,100).

#### Chargeable Account

- 5.4** For the year ended 31 March 2010, the chargeable account shows a deficit of £63,814 (budgeted deficit £93,790).
- 5.5** The main reason for this improved position compared to the budget is a reduction in overall expenditure of £50k, comprising mainly of costs in the areas of payroll, consultants and computer software, together with savings on the telephones contract.
- 5.6** However, there is also a reduction in overall income of £20k, comprising mainly of income from inspection fees, which is partly offset by an increase in plan fees, notice fees and other income.

#### Non Chargeable Account

- 5.7** For the year ended 31 March 2010, the non chargeable account shows a surplus of £12,953 (budgeted deficit £23,310).
- 5.8** The main reason for this improved position compared to the budget is an increase in overall income of £39k, comprising mainly of income from search fees and other income.
- 5.9** Non chargeable income includes fees from the partner councils of £40k each in management fees.

#### Reserve Account

- 5.10** In order to recover the operating deficit of £50,861, an additional contribution from the partners of £50,861 is required (budgeted contribution £117,100). This will result in an additional payment of £12,715 from each of the partners (budgeted payment £29,275 each).
- 5.11** The Partnership will therefore maintain a minimum balance on the reserve account of £10,000.



## **6.0 FINANCIAL IMPLICATIONS**

- 6.1** Other than the core costs payment by each partner, each partner will also have to contribute to funding the deficit. The legal agreement states that a minimum reserve balance must be maintained.

## **7.0 LEGAL IMPLICATIONS**

- 7.1** None resulting from the contents of this report.

## **8.0 RISK ASSESSMENT**

- 8.1** This report helps to ensure the reduction of risks as the production of the Statement of Accounts is a statutory function and is produced in accordance with CIPFA Code of Practice for Local Authority Accounting – the Statement of Recommended Practice (SORP) for local authorities.

## **9.0 CONCLUSION**

- 9.1** For the financial year ended 31 March 2010, the income and expenditure account for the North Yorkshire Building Control Partnership shows an operating deficit of £50,861.
- 9.2** This is the third year that the Partnership has made a deficit and an additional contribution from the partners of £50,861 has been required, in order to meet the requirement of a minimum level of reserves of £10,000.
- 9.3** An agreed rationalisation and recovery programme for the Partnership was implemented during 2009/10, which is planned to establish the Partnership in a better financial position for 2010/11.

**Background Papers:** Budget Working Papers, December 2008

### **OFFICER CONTACT:**

Please contact Mandy Burchell, Group Accountant, Ryedale District Council or Les Chapman, Building Control Manager for further information on the contents of this report. Mandy can be contacted on 01653 600666 ext 389 or at [mandy.burchell@ryedale.gov.uk](mailto:mandy.burchell@ryedale.gov.uk) and Les can be contacted on 01347 825760 or at [les.chapman@nybcp.org](mailto:les.chapman@nybcp.org).

This page is intentionally left blank

**NORTH YORKSHIRE  
BUILDING CONTROL  
PARTNERSHIP**



**ACCOUNTS FOR THE YEAR  
ENDED  
31st MARCH 2010**

**UNAUDITED**

# NORTH YORKSHIRE BUILDING CONTROL PARTNERSHIP

## ACCOUNTS FOR THE YEAR ENDED

31st MARCH 2010

### CONTENTS

	<u>PAGE</u>
FOREWORD BY THE CHAIRMAN OF THE PARTNERSHIP BOARD	1
EXPLANATORY FOREWORD	3
STATEMENT OF RESPONSIBILITIES	7
ANNUAL GOVERNANCE STATEMENT	9
STATEMENT OF ACCOUNTING POLICIES	14
FINANCIAL STATEMENTS:	
INCOME AND EXPENDITURE SUMMARY	15
INCOME AND EXPENDITURE ACCOUNT:	
CHARGEABLE ACCOUNT	16
NON-CHARGEABLE ACCOUNT	17
BALANCE SHEET	18
NOTES TO THE BALANCE SHEET	19
CASH FLOW STATEMENT	20

## **NORTH YORKSHIRE BUILDING CONTROL PARTNERSHIP FOREWORD BY THE CHAIRMAN OF THE PARTNERSHIP BOARD**

I am pleased to present for your information the accounts for the ninth year of operation of the North Yorkshire Building Control Partnership. The following pages present full financial details of the Partnership's activities.

The unprecedented world financial crisis has inevitably meant the UK construction industry has continued to encounter a severe downturn in business. The economic downturn, which first became apparent in the second half of 2008, has contributed significantly to the current state of the mortgage market and lack of confidence by investors in moving forward commercial developments. This slowdown has been reflected in the Partnership making a financial loss for the third time since being formed in April 2001. Under normal operating circumstances income tends to be higher between April and September and the additional income generated in these months offsets the reduction in the second half of the year. However, this anticipated trend did not continue during the financial year, resulting in the need to write down expected income by £104k. To bring the Partnership's accounts into balance by the end of 2010/2011 a rationalisation and recovery programme was agreed which was implemented during the 2009/2010 financial year. During the financial year the number of income generating applications decreased 3% on the previous year.

In addition to statutory building inspection work the Partnership continued to undertake work on plan checking on behalf of our Partner Companies. This area of work, which is mainly commercial developments, has also suffered a serious downturn over the last twelve months due to a lack of confidence in the global economy. However, from recent discussions with our Partner Companies it would appear that they are detecting a more positive outlook for the coming year. This type of work is seen by the construction industry as providing "added value" to the Local Authority service and is an important element of its commercial operations.

The Partnership is committed to investigating other ways of increasing operational efficiency, by maximising Information Technology and by the Partnership working to its full potential. Over the previous twelve months a decision was made by the Partnership Board to accept Richmondshire District Council into the Partnership with effect from 1 April 2010. Discussions have recently taken place with Craven District Council with the prospect of them joining the Partnership in the future. Additionally, the Partnership is currently looking at other business opportunities whereby we would offer to customers additional services such as providing energy performance certificates for new and existing properties, decent home surveys for Hambleton District Council and a data verification exercise for Richmondshire District Council and Scarborough Borough Council.

**NORTH YORKSHIRE BUILDING CONTROL PARTNERSHIP  
FOREWORD BY THE CHAIRMAN OF THE PARTNERSHIP BOARD**

During the year the Partnership has been reasonably successful in achieving its performance targets. This follows the reduction of a total of six members of staff which equated to three and a half full time posts following requests for voluntary redundancies. Five of these posts took effect on 1 April 2009 with the sixth taking place at the end of November 2009.

Leadership by the Partnership's Board and the dedication and professionalism of the Head of Building Control and his staff should ensure that the Partnership is well equipped to face any future challenges.

Councillor Derek Bastiman

Chairman of the Partnership Board

30 June 2010

# NORTH YORKSHIRE BUILDING CONTROL PARTNERSHIP

## EXPLANATORY FOREWORD

### 1. Introduction

The purpose of this foreword is to provide background information explaining the purpose of the Partnership, and to offer an easily understandable guide to the purpose of each statement and the major matters reported in the accounts.

### 2. Background

The North Yorkshire Building Control Partnership was established on 1 April 2001. It was an amalgamation of the Building Control function of Selby and Ryedale District Councils. With effect from 1 September 2007 Hambleton District Council became the third partner with Scarborough Borough Council joining from 1 April 2008. The Partnership reports to a Management Board that consists of two Councillors from each local authority.

The Partnership's activities are divided into two main accounts – chargeable and non-chargeable. Expenditure and income in respect of functions undertaken in accordance with the Building (Prescribed Fees) Regulations 1998 form the basis of the chargeable account. These functions include the passing or rejection of plans of proposed work, site inspections in connection with deposited plans and building notices as well as processing applications for regularisation certificates. Any other work undertaken by the Partnership, for example identifying unauthorised building work, providing advice to the public, liaising with statutory bodies and dealing with dangerous buildings forms the non-chargeable account. The cost of some of this work is rechargeable and creates income within the non-chargeable account. The net cost of the non-chargeable account is borne mainly by the Partner Councils under the core cost scheme.

From 1 April 2005 staff from the former Selby District Council were transferred to Ryedale District Council as host authority, with staff from Hambleton District Council and Scarborough Borough Council transferring on the 1 April 2008. These transfers were undertaken under TUPE arrangements. The Building Control team comprises of a Head of Building Control, 2 Building Control Managers, 13\* Building Control Officers, 2 Assistant Building Control Officers, 1 Senior Administration Officer, 6.5 Administration Officers and 1.5 Technical Officers. \* Indicates one Building Control Officer is seconded to Ryedale District Council Property Services.

The Partnership continues to integrate its functions and operate as a vehicle for delivering its service in an efficient manner, whilst recognising that inter-departmental relationships with all Partner Authorities must continue to be developed if the Councils' services are to be effectively delivered and their corporate aims and objectives achieved.

## NORTH YORKSHIRE BUILDING CONTROL PARTNERSHIP EXPLANATORY FOREWORD

### 3. Recent Developments

Following an external review of the Partnership's operations, major changes to the financial structure were implemented in April 2004. A "Core Cost Scheme" operates under which each Council will be charged a fixed fee for non-chargeable work. Any accumulated surpluses over the sum of £100,000 will be apportioned equally to each authority. This scheme was reviewed in February 2010 and increased to £150,000 following the approval for Richmondshire District Council's Building Control section to join the Partnership.

### 4. The Partnership's Accounts

The accounts contain the following statements for the year 1 April 2009 to 31 March 2010 which are presented in the following order:

**Statement of Responsibilities** – this identifies who is the officer responsible for the Partnership's financial affairs and what those responsibilities are. The Statement is signed by this officer to certify that the Accounts fairly represent the financial position of the Partnership. The Chairman of the Partnership Board also certifies this document to confirm that the accounts have been approved by a resolution of the Board.

**Annual Governance Statement incorporating the Statement on the System of Internal Financial Control** – this outlines the systems and procedures in place to ensure good financial practice is maintained and followed in connection with the Partnership's activities. The responsible financial officer certifies this statement to signify that the system of internal financial control in place is acceptable.

**Statement of Accounting Policies** – this explains the basis of the figures in the accounts and the policies followed in producing the figures.

**Income and Expenditure Summary** – this summarises the financial performance of the Chargeable and Non-Chargeable accounts for the year (see below).

**Income and Expenditure Account** – this reports the net cost for the Chargeable and Non-Chargeable accounts. The different functions included under each account are described in Background above (section 2).

**Balance Sheet** – this is fundamental to the understanding of the Partnership's year-end financial position. It shows the balances and reserves at the Partnership's disposal at the end of each financial year and the current assets employed in its operation.



**NORTH YORKSHIRE BUILDING CONTROL PARTNERSHIP  
EXPLANATORY FOREWORD**

**Cash Flow Statement** – this summarises the inflows and outflows of cash arising from transactions with third parties.

**5. Financial Performance in 2009/10**

Budgeted figures for the 2009/10 financial year are broken down and compared with actual income and expenditure in the following table:

	<b>Approved Budget £'000</b>	<b>Actual £'000</b>	<b>Variance £'000</b>
<i>Chargeable Account</i>			
Gross Income	1,079	1,059	(20)
Gross Expenditure	1,173	1,123	(50)
<b>Operating Surplus/(Deficit)</b>	<b>(94)</b>	<b>(64)</b>	<b>30</b>
<i>Non Chargeable Account</i>			
Gross Income	183	222	39
Gross Expenditure	206	209	3
<b>Operating Surplus/(Deficit)</b>	<b>(23)</b>	<b>13</b>	<b>36</b>
<b>Operating Surplus/(Deficit)</b>	<b>(117)</b>	<b>(51)</b>	<b>66</b>
Contribution from/(to) Partners	117	51	(66)
<b>Net Surplus/(Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**6. Explanation of variations against budget**

The chargeable account shows a deficit of £64k against an approved budgeted deficit of £94k, resulting in an improved position of £30k. Gross income is £20k (or 2%) under budget, mainly due to a reduction in income from inspection fees, which is partly offset by an increase in plan fees, notice fees and other income. Gross expenditure is £50k (or 4%) under budget, mainly due to a reduction in costs in the areas of payroll, consultants and computer software, together with savings on the telephones contract.

The non chargeable account shows a surplus of £13k against a budgeted deficit of £23k, resulting in an improved position of £36k. Gross income is £39k (or 21%) over budget, mainly due to an increase in income from search fees and other income. Gross expenditure is in line with the budget. The income figure includes £40k each from the partner councils in management fees.

**NORTH YORKSHIRE BUILDING CONTROL PARTNERSHIP  
EXPLANATORY FOREWORD**

The overall operating deficit on the chargeable and non chargeable accounts is £51k against a budgeted deficit of £117k. In order to cover this cost, an additional contribution from the partners of £51k or £13k each is required against a budgeted contribution of £117k or £29k each. The Partnership will therefore maintain a minimum balance on the reserve account of £10k.

## **NORTH YORKSHIRE BUILDING CONTROL PARTNERSHIP STATEMENT OF RESPONSIBILITIES**

### **THE NORTH YORKSHIRE BUILDING CONTROL PARTNERSHIP'S RESPONSIBILITIES**

The North Yorkshire Building Control Partnership is required:-

- ◆ to make arrangements for the proper administration of its financial affairs and to secure that an officer has the responsibility for the administration of those affairs. For the North Yorkshire Building Control Partnership, that officer is the Responsible Financial Officer, the Corporate Director (s151) of Ryedale District Council.
  
- ◆ to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

### **THE RESPONSIBLE FINANCIAL OFFICER'S RESPONSIBILITIES**

The Responsible Financial Officer is responsible for the preparation of the North Yorkshire Building Control Partnership's accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code'), is required to present fairly the financial position of the North Yorkshire Building Control Partnership at the accounting date and its income and expenditure for the year ended 31 March 2010.

In preparing these accounts, the Responsible Financial Officer has: -

- ◆ selected suitable accounting policies and then applied them consistently.
- ◆ made judgement and estimates that were reasonable and prudent.
- ◆ complied with the Code.

The Responsible Financial Officer has also: -

- ◆ kept proper accounting records which were up to date.
- ◆ taken reasonable steps for the prevention of fraud and other irregularities.

**NORTH YORKSHIRE BUILDING CONTROL PARTNERSHIP  
STATEMENT OF RESPONSIBILITIES**

**RESPONSIBLE FINANCIAL OFFICER'S CERTIFICATE**

I certify that the Statement of Accounts on pages 15 to 20 present fairly the financial position of the North Yorkshire Building Control Partnership as at 31 March 2010 and its income and expenditure for the year ended 31 March 2010.

Paul Cresswell CPFA



Dated 18 June 2010

Corporate Director (s151) (Ryedale District Council)

**APPROVAL BY CHAIRMAN OF THE BUILDING CONTROL  
PARTNERSHIP BOARD**

This Statement of Accounts was approved by a resolution of the North Yorkshire Building Control Partnership Board on 30 June 2010.

Councillor Derek Bastiman

Dated 30 June 2010

Chairman of the North Yorkshire Building Control Partnership Board

**1. Scope of Responsibility**

- 1.1 The North Yorkshire Building Control Partnership (NYBCP) was formed through the provisions of the Local Government Act 1972.
- 1.2 The NYBCP is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The NYBCP also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.3 In discharging this overall responsibility, the NYBCP is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk.

**2. The Purpose of the System of Internal Control**

- 2.1 Any system of internal control can only be designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.
- 2.2 The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the NYBCP's policies, aims and objectives to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically.
- 2.3 The system of internal control has been in place at the Partnership for the year ended 31 March 2010 and up to the date of the approval of the Statement of Accounts for the 2009/10 financial year.

**3. NYBCP's Internal Control Environment**

- 3.1 The Partnership believes in the principles of Corporate Governance, and operates within the Local Code of Corporate Governance approved by Ryedale District Council. It has an established system of internal control that is monitored and reviewed on a regular basis. The key elements of the NYBCP's Internal Control Environment are as follows: -

*Key Governance Arrangements*

- There is a Partnership Board which has a duty to approve the separate financial accounts, required by legislation. These are also subject to audit.
- Ryedale District Council acts as the council providing financial services, and the Partnership operates using Ryedale District Council's financial procedures.

## NORTH YORKSHIRE BUILDING CONTROL PARTNERSHIP ANNUAL GOVERNANCE STATEMENT 2009/10

- The Partnership Board specifically approves certain aspects of the Partnership's work. This includes the financial accounts, staff terms and conditions and the Partnership budget.

### *Establishing and monitoring the achievement of the Partnership's objectives*

- The Partnership sets out its objectives in the Business Plan following consultation with the key stakeholders. These objectives then form part of the service delivery to the Partner Councils. The achievement of objectives is monitored on a regular basis by the Head of Building Control, the 'Directors' (S151 Officers of the Partner Councils) and reported to the Partnership Board, and through the Board to the Partner Councils.

### *Facilitation of policy and decision making*

- The Partnership is governed by the Partnership Agreement, and on a routine daily basis the Partnership operates through the constitution, standing orders, and schemes of delegation of the host council. The Partnership Board has put in place structures and processes to govern decision-making and the exercise of authority within the Partnership.

### *Ensuring compliance with established policies, procedures, laws and regulations*

- The Partnership maintains a legislative and compliance structure as part of its developing risk management arrangements. This establishes the controls in place to ensure compliance with policies, procedures, laws and regulations including audit, health and safety, business continuity, legal services, insurance, human resources etc. The controls within each area are reviewed by the Head of Building Control to ensure they are effective.

### *Ensuring the economical, effective and efficient use of resources and for securing continuous improvement*

- Through its customer service planning, financial planning and performance management processes the Partnership ensures that resources are used economically, efficiently and effectively. The Partnership takes seriously reports made by Internal Audit, their external auditors (Deloitte LLP) and other inspectorates and implements recommendations made.

*Financial management of the Partnership*

- An annual financial plan is in place and is used to identify financial issues facing the Partnership in the medium term. Annual budgets are approved by the Board. The budget is managed by the Head of Building Control in line with the host council's Constitution, particularly financial procedure rules. Reports are submitted at least quarterly to the Head of Building Control on the position against budget and corrective action is taken when needed and where necessary. The Chief Financial Officer of the Partnership is also the Corporate Director (s151) at the host council; Ryedale District Council. In that role the Chief Financial Officer is directly responsible to the Chief Executive and so this arrangement meets the criteria set out for the role of the Chief Financial Officer in Local Government and thereby meets the requirement in respect of the Building Control Partnership.

*Performance management of the Partnership*

- The Partnership reports on performance through the Partnership Board, and annually in the Statement of Accounts. Performance is monitored by the Head of Building Control and the Partnership Board during the year.

**4. Review of Effectiveness**

- 4.1 The NYBCP Board has a responsibility for conducting, at least annually, a review of the effectiveness of the system of internal control. This review takes forward the work of the Head of Building Control, who has responsibility for the development and maintenance of the internal control environment, and also by comments made by internal auditors and other review agencies and inspectorates where applicable.
- 4.2 The purpose of a review is to identify and evaluate the key controls in place to manage principal risks. It also requires an evaluation of the assurances received, identifies gaps in controls and assurances and if necessary should result in an action plan to address significant internal control issues.
- 4.3 The process that has been applied in maintaining and reviewing the effectiveness of the Council's system of internal control includes the following: -
- The Partnership Board has met regularly during the year to discuss relevant business and where necessary the Partnership's governance arrangements;
  - The Partnership's Budget has been monitored on a regular basis and any concerns highlighted to the Partnership Board where it has been considered necessary;

**NORTH YORKSHIRE BUILDING CONTROL PARTNERSHIP  
ANNUAL GOVERNANCE STATEMENT 2009/10**

- Internal Audit (North Yorkshire Audit Partnership) has undertaken a review of aspects of the Partnership's work during 2009/10 including, for example, controls to ensure the correct charging and collection of fees; adherence to policies and legislation, including statutory time scales in the processing of applications; adequate budget controls, including the correct recording of expenditure within limits; adequate systems security. The report concludes with an assurance opinion that the overall standard of internal control was satisfactory. An appropriate action plan was agreed to address the recommendations made in respect of identified weaknesses and associated risks.

**5. Significant Internal Control Issues**

- 5.1 It is stressed that no system of control can provide absolute assurance against material misstatement or loss. This Statement is intended to provide reasonable assurance.
- 5.2 In concluding this review of the Partnership's Internal Control arrangements there are a small number of significant control issues that have been identified. These are outlined in the action plan below, and will be reviewed during the year by the 'Directors' and the Board.

**Dated 30 June 2010**

Cllr Derek Bastiman  
Scarborough Borough Council  
Chair of the Partnership Board

Paul Cresswell CPFA  
Ryedale District Council  
Corporate Director (s151)

Les Chapman MRICS MCIM  
Head of Building Control



**NORTH YORKSHIRE BUILDING CONTROL PARTNERSHIP  
ANNUAL GOVERNANCE STATEMENT 2009/10**

STATUS	CONTROL ISSUE	ACTION PROPOSED	RESPONSIBILITY	TARGET DATE	CURRENT POSITION & COMMENTS
2008/09	The Partnership has had a radical restructure to adapt to the post 'credit-crunch' world. There needs to be a careful assessment of the impact that may have on the internal control environment.	Internal Audit are undertaking a review. Head of Building Control to review in second half of the year 2009/10.	Head of Building Control	30/9/09	June 2010 – Completed.
2009/10	With the accession of new Councils to the Partnership there will be further changes in the management structure and in operating arrangements.	Internal Audit will be undertaking an audit and will consider these specific aspects as part of their work.	Head of Building Control	30/9/10	June 2010 – Internal Audit scheduled for Q3 2010/11.
2009/10	The growth of the Partnership has now taken its turnover above £1m which has consequences in its accounting and audit arrangements. This will apply to the 2009/10 year onwards.	The Head of Building Control will work closely with his accounting services provider (Ryedale District Council) to ensure that full compliance is met.	Head of Building Control	Final accounts 30 June 2010	

## **NORTH YORKSHIRE BUILDING CONTROL PARTNERSHIP STATEMENT OF ACCOUNTING POLICIES**

The accounting policies applied by the North Yorkshire Building Control Partnership during the year are as follows:

### **1. ACCOUNTING CONVENTION**

The accounts have been prepared under the historical cost convention.

### **2. DEBTORS & CREDITORS**

The accounts are maintained on an accruals basis in accordance with the Code of Accounting Practice and FRS 18 (Accounting Policies). That is, sums due to or from the North Yorkshire Building Control Partnership during the year are included whether or not the cash has actually been received or paid in the year.

### **3. FUNDING**

Contributions receivable are credited to the financial year to which they relate.

### **4. RESERVES**

Reserves, in the form of accumulated surpluses or deficits on the chargeable account, are liable to the partners of the North Yorkshire Building Control Partnership on an equal share basis.

**NORTH YORKSHIRE BUILDING CONTROL PARTNERSHIP**  
**INCOME & EXPENDITURE SUMMARY FOR THE PERIOD ENDED 31 MARCH 2010**

	<b>CHARGEABLE £</b>	<b>NON- CHARGEABLE £</b>	<b>TOTAL £</b>
<b>2008/09 Net Surplus/(Deficit)</b>	<b>(52,576)</b>	<b>57,576</b>	<b>5,000</b>
<b><u>2009/10</u></b>			
<b>Gross Income</b>	<b>1,059,209</b>	<b>221,754</b>	<b>1,280,963</b>
<b>Gross Expenditure</b>	<b>1,123,023</b>	<b>208,801</b>	<b>1,331,824</b>
<b>Operating Surplus/(Deficit)</b>	<b>(63,814)</b>	<b>12,953</b>	<b>(50,861)</b>
<b>Contribution from/(to) Partners</b>	<b>-</b>	<b>50,861</b>	<b>50,861</b>
<b>Net Surplus/(Deficit)</b>	<b>(63,814)</b>	<b>63,814</b>	<b>-</b>

**NORTH YORKSHIRE BUILDING CONTROL PARTNERSHIP**  
**INCOME & EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 MARCH 2010**

2008/09 £		2009/10 £      £	
	<b><u>CHARGEABLE ACCOUNT</u></b>		
	<b><u>INCOME</u></b>		
	<b>FEES AND CHARGES</b>		
503,956	Inspection Fees	430,800	
292,463	Plan Fees	231,515	
300,947	Notice Fees	309,044	
8,638	Regularisation Fees	11,623	
22,448	Contributions from Other Local Authorities	8,245	
24,759	Other Income	67,982	1,059,209
<b>1,153,211</b>	<b>TOTAL INCOME</b>		<b>1,059,209</b>
	<b><u>EXPENDITURE</u></b>		
	<b>EMPLOYEES</b>		
1,000,575	Payroll	872,728	
-	Redundancy Costs	59,440	
-	Pension Costs	910	
15,533	Training	6,856	
<b>1,016,108</b>			<b>939,934</b>
	<b>PREMISES</b>		
2,778	Electricity	2,840	
496	Water Services	543	
25,218	Rent	25,218	
13,305	Rates	13,968	
1,861	Cleaning	2,061	
<b>43,658</b>			<b>44,630</b>
	<b>SUPPLIES &amp; SERVICES</b>		
5,367	Equipment	4,550	
7,665	Printing & Stationery	6,940	
1,644	Photocopying	1,829	
4,334	Books & Publications	4,480	
12,640	Telephones	9,906	
10,305	Computer Software	9,236	
-	Legal Fees	500	
4,948	Professional Fees	8,236	
12,466	Consultants	14,321	
7,043	Insurance	6,595	
1,785	Scanning (DIP)	1,735	
2,400	Ordnance Survey Fees	-	
119	Medical Fees	25	
4,007	Audit Fees	2,100	
810	Protective Clothing	359	
792	Travel & Subsistence	2,434	
5,955	Postage	6,182	
-	Advertising	1,284	
2,169	Promotions	341	
-	Bad Debt Provision	5,000	
<b>84,449</b>			<b>86,053</b>
61,572	<b>SUPPORT SERVICES</b>		52,406
<b>1,205,787</b>	<b>TOTAL EXPENDITURE</b>		<b>1,123,023</b>
<b>(52,576)</b>	<b>SURPLUS/(DEFICIT) FOR YEAR</b>		<b>(63,814)</b>

**NORTH YORKSHIRE BUILDING CONTROL PARTNERSHIP**  
**INCOME & EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 MARCH 2010**

2008/09 £		2009/10 £      £	
	<b><u>NON CHARGEABLE ACCOUNT</u></b>		
	<b><u>INCOME</u></b>		
	<b>FEES AND CHARGES</b>		
7,217	Search Fees	31,086	
12,506	Charges for Services	2,000	
10,050	Other Income	30,284	
182,000	Partner Fees	158,384	221,754
<b>211,773</b>	<b>TOTAL INCOME</b>		<b>221,754</b>
	<b><u>EXPENDITURE</u></b>		
	<b>EMPLOYEES</b>		
190,586	Payroll	166,234	
-	Redundancy Costs	11,322	
-	Pension Costs	173	
190,586			177,729
	<b>PREMISES</b>		
309	Electricity	316	
55	Water Services	60	
2,802	Rent	2,802	
1,478	Rates	1,552	
207	Cleaning	229	
4,851			4,959
	<b>SUPPLIES &amp; SERVICES</b>		
596	Equipment	506	
852	Printing & Stationery	771	
183	Photocopying	203	
3,495	Consultants	12,308	
1,341	Insurance	1,256	
763	Audit Fees	400	
662	Postage	687	
7,892			16,131
11,728	<b>SUPPORT SERVICES</b>		9,982
<b>215,057</b>	<b>TOTAL EXPENDITURE</b>		<b>208,801</b>
<b>(3,284)</b>	<b>OPERATING SURPLUS/(DEFICIT) FOR YEAR</b>		<b>12,953</b>
60,860	<b>CONTRIBUTION FROM/(TO) PARTNERS</b>		50,861
57,576	<b>SURPLUS/(DEFICIT) FOR YEAR</b>		<b>63,814</b>
5,000	<b>NET SURPLUS/(DEFICIT) FOR YEAR</b>		-

**NORTH YORKSHIRE BUILDING CONTROL PARTNERSHIP**  
**BALANCE SHEET AS AT 31 MARCH 2010**

31 March 2009 £		31 March 2010 £            £		NOTES
	<b>ASSETS</b>			
88,846	Debtors	109,130		1
-	Cash in Hand	-		
88,846			109,130	
	Less <b>CURRENT LIABILITIES</b>			
-	Creditors	314		2
78,846	Cash Overdrawn	98,816		
78,846			99,130	
<b>10,000</b>			<b>10,000</b>	
	<b>REPRESENTED BY</b>			
10,000	Reserves		10,000	3
<b>10,000</b>			<b>10,000</b>	

**RESPONSIBLE FINANCIAL OFFICER'S CERTIFICATE**

I certify that the above Balance Sheet presents fairly the financial position of the North Yorkshire Building Control Partnership as at 31 March 2010.

Signed .....  ..... Paul Cresswell CPFA

Dated 18 June 2010

CORPORATE DIRECTOR (S151) (RYEDALE DISTRICT COUNCIL)

**NORTH YORKSHIRE BUILDING CONTROL PARTNERSHIP**  
**NOTES TO THE BALANCE SHEET**

31 March 2009 £		31 March 2010 £
	<b>1 DEBTORS</b>	
16,388	Selby District Council	18,841
36,074	Scarborough Borough Council	12,878
32,251	Hambleton District Council	5,562
-	Sundry Debtors - Building Regulation Fees	73,576
4,133	Sundry Debtors - Others	3,273
88,846		114,130
-	Less Bad Debt Provision	(5,000)
88,846		109,130
	<b>2 CREDITORS</b>	
-	Sundry Creditors	314
-		314
	<b>3 RESERVES</b>	
5,000	Surplus b/f	10,000
5,000	Net Surplus/(Deficit) for year	-
10,000	Surplus c/f	10,000

**4 STATUS OF THE NORTH YORKSHIRE BUILDING CONTROL PARTNERSHIP**

On 1 April 2001 the Selby and Ryedale District Councils formed a partnership to provide Building Control services on behalf of the two Councils. Hambleton District Council joined the Partnership on 1 September 2007 with Scarborough Borough Council joining on 1 April 2008.

Following an external review in 2002/03, the Partnership and the Partner Councils agreed to revised terms of operation commencing from 1 April 2004. A "core cost" scheme now operates whereby each authority pays a fixed fee to the Partnership. Any year-end reserves over and above a ceiling of £100,000 are repaid equally to each Partner Council. Due to the economic climate a deficit was made for 2009/10, each partner has to fund this equally.

The Partnership must manage its financial performance within the constraints imposed by the core cost scheme.

**NORTH YORKSHIRE BUILDING CONTROL PARTNERSHIP**  
**CASH FLOW STATEMENT FOR YEAR ENDED 31 MARCH 2010**

2008/09 £		2009/10 £      £	
(52,576)	<b>Chargeable Account Surplus/(Deficit)</b>	(63,814)	
57,576	<b>Non Chargeable Account Surplus/(Deficit)</b>	63,814	
81,350	Add Cash in Hand/(Overdrawn) as at 1 April	<u>(78,846)</u>	
86,350			(78,846)
	<b>Variations:-</b>		
75,532	(Increase) / Decrease in Debtors	(20,284)	
<u>(240,728)</u>	Increase / (Decrease) in Creditors	<u>314</u>	
(165,196)			(19,970)
<u>(78,846)</u>	<b>Cash in Hand/(Overdrawn) as at 31 March</b>		<u><u>(98,816)</u></u>



Agenda Item:



## Ryedale District Council

---

**REPORT TO:** North Yorkshire Building Control Partnership Board

**DATE:** 30 June 2010

**REPORTING OFFICER:** Les Chapman  
Head of Building Control

**SUBJECT:** Performance 1 April 2009 – 31 March 2010

---

### **1.0 PURPOSE OF REPORT**

**1.1** To receive a report on the Building Control Partnership's operational performance from 1 April 2009 to 31 March 2010.

### **2.0 RECOMMENDATIONS**

**2.1** That the Report be noted.

### **3.0 BACKGROUND**

**3.1** To provide Members with information on the current position within the Partnership on performance management issues.

### **4.0 POLICY CONTEXT**

**4.1** This policy falls within the Partnership's objectives and values in providing excellence in customer services, delivery of a high quality service and respecting our employees and responding to their needs.

### **5.0 REPORT**

**5.1 Performance**

---

**5.2** Set out in Appendix 1 is the Covalent performance report from 1 April 2009 to 31 March 2010.

**5.3** Over the past 12 months the Partnership has in the majority of cases achieved its performance targets. The exceptions to this are:

- BC3 Plans over statutory time period. There were a total of ten applications which exceeded the statutory time period, seven of which occurred in one month which coincided with a high sickness level and holidays.

- BC7 Average number of inspection per development. This exceeded the target by 1.4 inspections per development which indicates efficiency savings can be made.

- BC11 Local Disability Groups Satisfaction. There is no active disability group operating over the majority of the Partnership area therefore this target has been removed from the Business Plan and performance monitoring for 2010/11.

- BC13 Market Share Schedule 2/3. There has been a significant increase in the number of initial notices submitted to the Partnership over the past twelve months resulting in a fall below target for the first time since being formed in 2001.

- BC16 Income gained through LABC Partnerships. The number of LABC Partnership applications significantly fell over the past twelve months against an increasing number of companies partnering with us. This clearly indicates that confidence in undertaking major developments have not yet returned or companies are not using the partnership scheme as intended.

**5.4** On a positive note BC12 has shown a substantial increase with the Partnership achieving market share in the housing market for the first time in nine years. However, this is likely to be short term, as the volume builders tend to use Approved Inspectors rather than the local authority.

## **6.0 TRAINING**

**6.1** The Partnership continues to hold bi-monthly CPD events for Officers.

**6.2** Michelle Lanaghan has completed year 5 of a part-time five year BSC Honours Degree in Building Surveying at Leeds Metropolitan University and is awaiting her results.

- 6.3 Angela Samuels has completed year 2 of a two year Diploma in Fire Engineering at Leeds College of Building and is awaiting her results.
- 6.4 Simon Nichol has completed year 2 of a five year BSC Honours degree in Building Surveying at Northumbria University.
- 6.5 Julie Chapman is continuing a part-time HNC in Construction at York College.
- 6.6 All staff have undertaken an in-house appraisal training course.

## **7.0 CUSTOMER AND AGENT SURVEYS**

- 7.1 A copy of the results for the year 2009/10 customer surveys has been emailed to Members and a hard copy will be available at the meeting.

## **8.0 LEGAL IMPLICATIONS**

- 8.1 There are no legal implications.

## **9.0 RISK ASSESSMENT**

- 9.1 By not monitoring its performance against the Business Plan and corporate objectives the Partnership risks service failure and not meeting the expectations of customers, partner authorities and CPA requirements.

## **10.0 CONCLUSION**

- 10.1 It is essential that the Board continue to monitor the Partnership's performance against the Business Plan to ensure each partner authority receives an efficient and effective building control service.

**Background Papers:** Previous Board Minutes












### **OFFICER CONTACT:**































Please contact Les Chapman, Head of Building Control if you require any further information on the contents of this report. The officer can be contacted on 01347 825760 or at [les.chapman@nybcp.org](mailto:les.chapman@nybcp.org)

This page is intentionally left blank

# Building Control PIs Year End 2009-10

Report Type: PIs Report  
Generated on: 04 May 2010

PI Status		Long Term Trends		Short Term Trends	
	Alert		Improving		Improving
	Warning		No Change		No Change
	OK		Getting Worse		Getting Worse
	Unknown				
	Data Only				

PI Code	Short Name	2006/07	2007/08	2008/09	2009/10					Current Target	Long Term Trend Arrow	Short Term Trend Arrow	Traffic Light Icon	Note
		Value	Value	Value	Value	Target	Status	Long Trend	Short Trend					
BC 1	Check full plan applications within 14 days (Bldg Control)	94%	91%	82%	97%	90%				90%				Achieved with a significant improvement on the previous year.
BC 2	% of Building Notices accepted in 2 working days (was LPI 47)	98%	84%	90%	97%	93%				93%				As above.
BC 3	% Full Plans approved within statutory time period 2 months - Building Control (was LPI 46)	99.0%	99.0%	99.3%	99.2%	100.0 %				100.0%				Ten applications over time with seven of these in one month due to sickness/holidays.
BC 4	Full Plans applications approved first time.	92%	95%	96%	93%	90%				90%				Achieved. Increased number of rejections due to staffing and time factors.
BC 5	Site Inspections undertaken on day of notification	98.0%	99.0%	99.7%	99.7%	93.0%				93.0%				Achieved. With high satisfaction levels from customers.

Page 35

Agenda Item 8

PI Code	Short Name	2006/07	2007/08	2008/09	2009/10					Current Target	Long Term Trend Arrow	Short Term Trend Arrow	Traffic Light Icon	Note
		Value	Value	Value	Value	Target	Status	Long Trend	Short Trend					
BC 6	Completion Certifications issued within 5 days of notified satisfactory inspection		66%	75%	86%	80%				80%				Achieved due to process re-engineering.
BC 7	An average of 7 inspections undertaken per development.	6.7	7.4	8.4	8.4	7.0				7.0				Number of inspections above target which will be addressed in future review.
BC 8	Dangerous structures inspected within 2 hours.	100%	100%	100%	85%	82%				82%				Achieved including out of hours call outs.
BC 9	Response Rate to complaints in accordance with the Partnership's Complaints Procedure			70%	100%	95%				95%				Low number of complaints.
BC 10	Fire Authority Satisfaction		86%	96%	100%	80%				80%				Achieved. This is due to a very good working relationship with the Fire Service across all aspects of service delivery.
BC 11	Local Disability Groups Satisfaction			0%	0%	80%				80%				Data not collected - P I deleted in 2010/11.
BC 12	% of Market Share within Schedule 1 (figures are for each qtr)		37%	57%	81%	60%				60%				Achieved. Significant improvement due in part to increased marketing and ability to offer LABC Warranty.
BC 13	% of Market Share within Schedule 2 & 3 Domestic and Commercial Developments		91%	93%	84%	90%				90%				Increased A I activity particularly in the domestic sector.
BC 14	No. of hours CPD Training by professional staff every year (Annual Target 35hrs)		30.00hrs	38.50hrs	36.50hrs	35.00hrs				35.00hrs				Achieved. Significant input in training to facilitate changes to regulations.
BC 15	Customers consider the service to be Good/Excellent		84%	85%	91%	80%				80%				Achieved with a high level of positive comments.
BC 16	Income gained through LABC partnership applications to equal income lost to competition in Schedule 2 & 3			39%	5%	100%				100%				Failed. Low level of Partner applications due to recession and enlarged Partnership area.



This page is intentionally left blank





## Ryedale District Council

---

**REPORT TO:** North Yorkshire Building Control Partnership Board

**DATE:** 30 June 2010

**REPORTING OFFICER:** Les Chapman  
Head of Building Control

**SUBJECT:** Changes to the Charge Regulations

---

### 1.0 PURPOSE OF REPORT

- 1.1 To inform Members of changes to the charge regulations and procedures which become fully operative on 1 October 2010.

### 2.0 RECOMMENDATIONS

- 2.1 That the Report be noted and a further report be submitted to the September Board meeting.

### 3.0 BACKGROUND

- 3.1 The Building (Local Authority Charges) Regulations 2010 were laid before Parliament on 25 February 2010 and came into operation on 1 April 2010. However, within the Regulations there is a transitional provision allowing local authorities six months in which to undertake a comprehensive review of their charging scheme and to make the necessary adjustments.
- 3.2 A new provision has been included in the Regulations to enable local authorities who enter into formal legal partnerships to provide a single building control service to operate a single charging regime i.e. one charging scheme and one financial statement. This is in practice how this Partnership operates. However, such partnerships have not been previously recognised and each authority has to individually complete a financial statement to the LGC.

- 3.3** The Charge Regulations 2010 extends to where local authorities enter contractual arrangements with a third party to provide building control services. Where a local authority enters into such an arrangement the third party should not make profit on the chargeable service. Charges should be based on the actual cost of carrying out the specific function in relation to individual building control projects, thereby avoiding significant surpluses.
- 3.4** The Charge Regulations 2010 introduces a flexible charging regime which seeks to redress the inflexibility of the 1998 Regulations and includes:
- Local Authorities are unable to accurately match the actual cost of service to delivery, as they are required to prefix the charge relating to a number of factors resulting in either under or over charging for the work.
  - Local Authorities cannot increase or decrease their charges if the level of building control work is increased or decreased which has resulted in fixing charges at a higher level to ensure costs are recovered.
  - In some Local Authorities large surpluses were achieved and in some cases inappropriately used to fund other Local Authority services.
- 3.5** As a result of the inflexibility of the 1998 Charge Regulations Local Authorities were not able to compete effectively with Approved Inspectors or provide value for money for customers.
- 3.6** The Charge Regulations should relate to the cost of carrying out the building regulation chargeable function. However, there are other service provisions which form part of the building control function. It is important to isolate those costs attributed to the chargeable and non-chargeable building control functions.

## **4.0 POLICY CONTEXT**

- 4.1** This policy falls within the Partnership's objectives and values in providing excellence in client services, providing competitive, high quality, dynamic professional services and being innovative in all aspects of service delivery.

## **5.0 REPORT**

- 5.1** The Charge Regulations 2010 require Local Authorities to fix their charges by means of a scheme but makes significant modifications to the charge regulations 1998. The new regulations remove the

requirement for parity between charges for carrying out different building control functions i.e. that full plans and inspection charges should equal the building notice charges. They also provide for the following:

- In addition to the five current chargeable building control functions Local Authorities are authorised to charge for substantive pre-application advice given in advance of receipt of an application for particular work.
- A more accurate method of calculating charges relating to an hourly charge of Local Authority Building Control Surveyors to the time spent carrying out their building control functions.
- A requirement for Local Authorities to fix a charge in relation to individual building projects either by standard charges or by providing an individual determination.
- For refunds of charges to be made and supplementary charges to be raised where appropriate.
- Greater transparency in relation to total income from charges from building control functions to the total cost of providing these functions.

**5.2** The overarching principles of the new Local Authority Building Control Charge Regulations 2010 are full cost recovery and users only paying for the service they receive. These principles facilitate the implementation of a service level agreement based on risk assessment and help to demonstrate the value that building control adds to the project.

**5.3** In order to ensure that the charges reflect the standard of service which protects the Local Authority's duties and liabilities under the Building Regulations, reference needs to be made to the publication "Building Control Performance Standards". This document gives details of performance and standards expected by all building control bodies including Approved Inspectors.

**5.4** CIPFA has recently issued a comprehensive document detailing the methodology of establishing costs in both the chargeable and non-chargeable accounts together with a standardised statement of accounts.

**5.5** Partnership officers and Finance officers are currently assessing workloads, service delivery, IT support and costs associated with these functions to inform a new charging regime.

## **6.0 LEGAL IMPLICATIONS**

- 6.1** A new charging regime must be adopted and implemented by 1 October 2010. This will be subject to external audit during 2011.

## **7.0 RISK ASSESSMENT**

- 7.1** By not having an adopted scheme of charges by 1 October 2010 the Partnership is in breach of the Charge Regulations 2010 and cannot request fees from 1 October 2010. The scheme of charges adopted is subject to challenge by stakeholders to ensure it is fair, accurate and only covers the work undertaken.

## **8.0 CONCLUSION**

- 8.1** It is essential that the working party established to review the Partnership's structure and service delivery submits their recommendations to the next Board meeting in September.

**Background Papers:** Charge Regulations 2010, Future of Building Control Implementation Plan and CIPFA Local Authority Building Control Accounting.

### **OFFICER CONTACT:**

Please contact Les Chapman, Head of Building Control if you require any further information on the contents of this report. The officer can be contacted on 01347 825760 or at [les.chapman@nybcp.org](mailto:les.chapman@nybcp.org)

By virtue of paragraph(s) 1 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank