

## **CABINET, TUESDAY 10 NOVEMBER 2020**

### **ADDENDUM TO ITEM 7 - BUILDING CONTROL - PROPOSAL FOR FUTURE SERVICE DELIVERY**

Further to the publishing of the Cabinet report officers have continued to assess how the Council will deal with the projected deficit arising on the Building Control Fee Earning account at the point at which the service is transferred to Charnwood Borough Council. Additionally, officers have also been assessing how the Council will deal with jobs “in the system” which have been paid for and may have not been started or are part complete (as outlined in paragraph 4.8 of the report).

#### **Forecast deficit arising on the fee earning Building Control account to December 2020**

As detailed in the report, officers are working up a project implementation plan with key steps, including that contracts are agreed in December 2020, to ensure that the delegated service to Charnwood Borough Council commences on 4 January 2021. This means that the period which the Council manages the service will cease on 3 January 2021.

For the period from April 2020 to 3 January 2021, it is forecast that a deficit will arise on the fee earning account. Ordinarily, any surplus or deficit position on the fee earning account is maintained separately.

The forecast deficit position for the period April 2020 – 3 January 2021 is currently being assessed but considered to be in the region of £50k. Subject to confirmation of this value it is proposed that deficit is ‘repaid’ through reserves, negating the impact of the deficit on the Council’s General Fund.

#### **Jobs in the system**

It has been recognised that there is a need to support Charnwood Borough Council with a payment for “jobs in the system” for which the Council have already received the fee income. It has been estimated that the maximum total exposure identified, based on jobs with outstanding inspections and associated work over the last three years will be a maximum of £112,000 based on the proportion of fee income for these jobs.

It is, however, anticipated that the actual amounts paid to Charnwood Borough Council will be considerably lower as the charge will be based on the cost of undertaking the inspection and associated works.. Discussions remain ongoing with Charnwood Borough Council as to the annual mechanism and process for this financial support.

Any payment required to be made for the period Charnwood Borough Council manage the service within the 2020/21 financial year will be met through reserves. Payments in respect of future years will be estimated within the annual budget for future financial years. It has been agreed with Charnwood Borough Council that these arrangements will be reciprocated in any termination/exist scenario, meaning that the Council would not be out of pocket for undertaking historical inspections upon re-provision of the building control service.

**RECOMMENDATION:**

**THAT IN ADDITION TO THE RECOMMENDATIONS IN THE MAIN REPORT, CABINET:**

- 1) APPROVE THE TRANSFER FROM RESERVES TO COVER THE PROJECTED DEFICIT ON THE FEE EARNING ACCOUNT FOR THE PERIOD APRIL 2020 – 3 JANUARY 2021; AND**
- 2) DELEGATE APPROVAL FOR ANY ADDITIONAL PAYMENT TO CHARNWOOD BOROUGH COUNCIL FOR “JOBS IN THE SYSTEM”, IDENTIFIED BY THE BUILDING CONTROL MANANGEMENT BOARD, TO THE STRATEGIC DIRECTOR OF PLACE IN CONSULTATION WITH THE PLANNING AND INFRASTRUCTURE PORTFOLIO HOLDER TO BE MET FROM RESERVES FOR THE 2020/21 FINANCIAL YEAR AND BUDGETED WITHIN THE GENERAL FUND FOR FUTURE YEARS**