

**Cabinet  
15 November 2016**

**Planning Report No. PLN1638**

**KEY DECISION? NO**

**BUILDING CONTROL FINANCIAL STATEMENT 2015-16**

**SUMMARY AND RECOMMENDATIONS:**

This is the annual financial statement for Building Control for the year 2015-16. It is for Cabinet to endorse as a record of the accounts.

**1. INTRODUCTION**

1.1 The Council is required to produce an annual financial statement of accounts for the Building Control service, to demonstrate that the service's fee earning work is self-financing over a period of time. The report details Building Control finances for its fee earning work for the year ending 31 March 2016.

**2. BACKGROUND**

2.1 Members will be aware that from July 2015, Rushmoor has been operating a shared Building Control service with Hart District Council. This statement of accounts relates solely to the Rushmoor element of the Partnership, since each authority needs to provide their own information.

2.2 In previous years, this report was also the opportunity to review the fees and charges for Building Control. However, these have recently been reviewed under the new Partnership arrangements, with new fees being introduced only last June.

**3. FINANCIAL STATEMENT**

3.1 A breakdown of the Building Control financial statement for 2015-16 is attached at Appendix A. It details all costs attributed to Building Control from salaries, departmental expenses through to support costs. It shows figures from both the fee earning and the non-fee earning accounts.

- 3.2 The figures of most interest are those under the fee earning account since Building Control is required to break even on its fee earning account over a 3-year rolling period.
- 3.3 On 1 July 2015, Hart DC and Rushmoor BC formed the new Partnership, based in the Farnborough office. The Partnership has made the service more robust, more able to cope with competition from Approved Inspectors, and will bring forward financial savings, economies of scale and over time, it is hoped, increasing income. The process of merging two services into one continues developing a strong team and looking at operational opportunities around IT and remote working.
- 3.4 Fee income for last year was £224,710 and the contribution from Hart to Partnership costs was an additional £88,067, making overall income £312,777. This equates to an operating surplus on the year of £35,935, and a rolling surplus of £19,796. This surplus will facilitate funding improvements to the service in the future.
- 3.5 The appendices show two rolling tables, one with impairment and the other without. For these purposes we have opted to use the version without impairment. This is due to impairment losses being an accountancy entry based upon a fall in the value of the offices and this loss would not be realised unless the Council Offices were sold. Should the value rise in the future, this would not be included in the calculation.

#### **4. IMPLICATIONS**

##### **Risks**

- 4.1 There are no risks associated with this report.

##### **Legal Implications**

- 4.2 There are no legal implications from this report.

##### **Financial and Resource Implications**

- 4.3 The financial implications are set out in the report and appendices.

##### **Equalities Impact Implications**

- 4.4 There are no equalities impact implications.

##### **Other**

- 4.5 There are no other implications.

## **5. CONCLUSIONS**

- 5.1 The financial period reviewed spans the time before and after the formation of the Partnership. It shows a healthy position for the service, and confirms that the establishment of the shared service is beneficial for the delivery of Building Control in Rushmoor.

**Keith Holland**  
**Head of Planning**

### **BACKGROUND DOCUMENTS:**

- Cabinet report PLN1606 – Building Control Fees and Charges 2016
- Cabinet report DCE1412 – Proposal for a Shared Building Control Service with Hart District Council

### **CONTACT DETAILS:**

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**Building Regulations - Statement of Accounts**  
**Excluding Impairment losses**

**APPENDIX A**

	Fee Earning £	Non-Fee Earning £	Total Building Control £
<b>Expenditure</b>			
Employee Expenses	175,917	107,076	282,993
Supplies & Services	29,574	14,151	43,725
Central Support	71,351	24,613	95,964
<b>Total Expenditure</b>	<u>276,842</u>	<u>145,840</u>	<u>422,682</u>
	276,842	145,840	422,682
<b>Income</b>			
Building Regulation Charges	208,649	0	208,649
Contribution to shared BC Service	88,067	37,743	125,810
Miscellaneous Income	16,061	4,247	20,308
<b>Total Income</b>	312,777	41,990	354,767
<b>Net Expenditure/(Income) - not taking impairment losses into account</b>	<b>-35,935</b>	<b>103,850</b>	<b>67,915</b>
	£		
(Surplus)/Deficit Carried Forward Year 2013/14	(8,570)		
(Surplus)/Deficit Carried Forward Year 2014/15*	24,709		
(Surplus)/Deficit Carried Forward Year 2015/16	(35,935)		
<b>Rolling total</b>	<u><b>(19,796)</b></u>		
<i>* Includes £8.3k income reduction back dated to 2011/12 as BC system overstated income on internet payments</i>			

*NOTE: This information has been approved by the Chief Financial Officer, being the responsible officer under Section 151 of the Local Government Act 1972*



**Building Regulations - Statement of Accounts  
Including Impairment losses**

**APPENDIX B**

	Fee Eaming £	Non-Fee Eaming £	Total Building Control £
<b>Expenditure</b>			
Employee Expenses	175,917	107,076	282,993
Supplies & Services	29,574	14,151	43,725
Central Support	71,351	24,613	95,964
<b>Total Expenditure</b>	<b>276,842</b>	<b>145,840</b>	<b>422,682</b>
<b>impairment losses</b>	<b>0</b>	<b>0</b>	<b>0</b>
	276,842	145,840	422,682
<b>Income</b>			
Building Regulation Charges	208,649	0	208,649
Contribution to shared BC Service	88,067	37,743	125,810
Miscellaneous Income	16,061	4,247	20,308
<b>Total Income</b>	<b>312,777</b>	<b>41,990</b>	<b>354,767</b>
<b>Net Expenditure - taking impairment losses into account</b>	<b>-35,935</b>	<b>103,850</b>	<b>67,915</b>
	£		
(Surplus)/Deficit Carried Forward Year 2013/14	6,855		
(Surplus)/Deficit Carried Forward Year 2014/15*	25,725		
(Surplus)/Deficit Carried Forward Year 2015/16	(35,935)		
<b>Rolling total</b>	<b>(3,355)</b>		
<i>* Includes £8.3k income reduction back dated to 2011/12 as BC system overstated income on internet payments</i>			

*NOTE: This information has been approved by the Chief Financial Officer, being the responsible officer under Section 151 of the Local Government Act 1972*