

BRIEFING NOTE FOR BUSINESS AND PERFORMANCE PANEL

Regeneration and Policy Service: Building Control

1. The Council's Building Control function operates on the basis of a trading account which is supposed to break even. Since the start of the recent recession there has been a significant reduction in new building projects and alongside this the emergence of private sector operators who are able to compete in providing the fee earning part of the service, which has meant that a significant amount of work has been lost to other operators.

This has led to a projected £75K deficit for 2011/12 and projected cumulative trading deficit totalling £292.6K as at 31st March 2012, which has built up over the last five years. At the present time and based on the current operation and application numbers it is anticipated that the projected cumulative trading deficit will continue to increase, potentially reaching c£400K by 31st March 2013.

2. The Council is still the statutory body responsible for the operation of the Building Regulations in its area and although private companies can provide plan checking and inspection services during building works on a competitive basis. It usually falls to the council to deal with statutory regulatory work and provide a safety net for plan vetting schemes to ensure that developers and the public have a competitive choice of competent bodies available to deal with the regulations.
3. Up until around five years ago the Council had a virtual monopoly in this area as the district was too far north for cost effective competition to operate. Since the rise in local area based competition, the response to a loss in income to the council's Building Control service has resulted in significant redundancies leaving only five posts from the original 13.
4. Recently the Building Control Manager left the authority and one other post remains vacant. The time is right therefore for the council to consider alternative options for delivering a much smaller building control operation in partnership with other parties. At the present time the Head of Regeneration and Policy and his senior management team are examining four options :
 - Partnership with South Lakeland District Council
 - Partnership with Capita/Urban Vision (Salford City Council)
 - A joint venture with the two options above.
 - Complete outsourcing to a local private sector operator.
5. Whilst exploratory discussions have been held with some of the parties, the discussions with all are not yet complete. It is anticipated that those discussions will be completed by the end of April and that

work will then commence on a Cabinet report to give Members the opportunity to consider the most viable option will commence shortly afterwards. Budget and Performance Panel would be in a better position to be briefed on the issues relating to Building Control later in the spring.

Head of Regeneration and Policy
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