

# Crawley Borough Council

Report to Cabinet  
23 March 2016

## Sussex Building Control Partnership – Proposed Extension of Partnership



Report of Head of Economic and Environmental Services, PES/203

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### 1. Purpose

- 1.1 To present Members with a report, which recommends a five-year extension to the existing partnership with Horsham District Council related to the provision of Building Control services. This would extend the existing agreement to 31<sup>st</sup> March 2021.

### 2. Recommendations

- 2.1 The Cabinet is recommended to:

- 2.2.1 Agree to extend the partnership arrangement between Horsham District Council and Crawley Borough Council in respect of Building Control services for a further 5 years from April 2016.

- 2.2.2 Recognise that discussions have commenced to consider a wider West Sussex shared service arrangement and the new extension agreement will need to allow for either or both authorities to join a larger multi-authority partnership arrangement if considered beneficial to do so, should those proposals come forward.

- 2.2.3 Agree that the Cabinet Member for Planning and Economic Development and the Head of Economic and Environmental Services be authorised to represent the Council on the Partnership Board.

### 3. Reasons for the Recommendations

- 3.1 The current partnership agreement with Horsham District Council expires on 31<sup>st</sup> March 2016 and therefore there is a need for Members to decide whether to agree to extend this partnership to enable Building Control services to continue to be provided.

### 4. Background

- 4.1 Sussex Building Control was established in October 2006 as a joint working initiative between the Building Control services of Horsham District Council and Crawley Borough Council. The service is hosted by Horsham District Council and was originally established on a fixed 5 year term. The agreement was extended in April 2011 for a further 5 years. The agreement does not allow for further extensions but the parties can by agreement extend it for a further period.

- 4.2 Building Control is a statutory function that includes administering the Building Regulations, dealing with dangerous structures and demolitions, and providing advice on other construction related matters including means of escape, sustainable construction and access to buildings.

- 4.3 The majority of work undertaken by Building Control departments is of a commercial nature, for which it receives fees, these are regulated by the Building Control (Local Authority

Charges) Regulations 2010 (the 'Charges Regulations 2010'). In addition to “fee-earning” there is an element of work not funded by an applicant, including public protection e.g. dangerous structures, demolitions, enforcement and the upkeep of property records. Typically, this non-fee earning element of work accounts for about 35% of the service’s time and cost.

## 5. Description of Issue to be resolved

- 5.1 Some challenges that affect Building Control are similar to other Local Authority services. What sets Building Control apart is that it operates in competition with private sector providers. Public sector Building Control faces increasing pressure from private sector approved inspectors (AIs) both in terms of competition for market share and staff resources. It must therefore compete for access to business and therefore to fee income.
- 5.2 There are still challenges to be faced with regard to maintaining income levels and reducing costs for non-chargeable services. Building Control services will be in a stronger position to manage the impact of these changes as part of a shared service between the two authorities rather than separately – this is borne out by the figures in sections 6 and 7 of this report below.

## 6. Information & Analysis Supporting Recommendation

- 6.1 In general, it is felt that the partnership between Horsham DC and Crawley BC on Building Control continues to be a success and has delivered on its main objectives.
- 6.2 Horsham District Council have agreed to continue with the current partnership.
- 6.3 Building Control services are not expected to make a profit and any surplus revenue is reinvested in services. The table below show the costs of operating Building Control attributed to Crawley BC. The Council is charged a fixed proportion of the total costs based on split of work. This proportion split is reviewed annually by the Partnership Board and is currently 30%.

### Crawley Costs

	Total Expenditure	Chargeable Expenditure	Income	Chargeable surplus / deficit
2011/12	291	155.5	147	-10
2012/13	289	154	189	+35
2013/14	298	159	166	+7.5
2014/15	290	155	177.5	+22.5

- 6.4 The above table shows that since 2012-2013 the Building Control services has achieved a surplus for Crawley BC with income secured from BC fees related to Crawley applications in excess of the total expenditure chargeable to Crawley.
- 6.5 The surplus revenue forecast for Sussex Building Control for 2015-16 is £50,000, which represents a significant increase on the surplus recorded in 2014-15.
- 6.6 Sussex Building Control has dealt with 2,434 applications in Crawley since 2011, broken down as follows:

Commercial applications – 270  
 Domestic applications – 1684  
 New dwelling plots – 480

Appendix A provides a list of major projects (those with a construction value over (£500,000) served by Sussex Building Control in Crawley since 2011.

- 6.7 Sussex Building Control has succeeded in securing business and fee levels in excess of the costs of running the Service and this surplus has steadily increased since 2013. The number of applications dealt with by the Building Control service has also gone up consistently since 2013. The Service is therefore a net contributor to Crawley Borough Council's revenue budget and it has been successful in expanding its services to benefit Crawley applicants.

## **7. Implications**

- 7.1 Building Control services are not expected to make a profit and any surplus revenue is reinvested in services. The level of income secured from fees for Building Control services by Sussex Building Control is consistently greater than the contribution that Crawley BC makes to the costs of the Building Control service, which is 30% of the total cost of the Service. This means that the BC Service is a net contributor to Crawley Borough Council services financially at the end of each year.
- 7.2 In this financial year, the Building Control team is forecast to deliver an even larger surplus of £50,000 in 2015-16, demonstrating the cost effectiveness of the Service and the fact that surplus revenue is coming back to Crawley BC.
- 7.3 The revenue income budget will be closely monitored in 2016/17 and the level of surplus is likely to rise or fall depending on trends in the housing market and economy. Future annual surpluses coming back to the Borough Council will be used as a budget saving, which will help to offset any projected budget gaps.
- 7.4 Outline discussions have begun on exploring the potential for a wider West Sussex shared service arrangement. This may or may not progress to a Full Business Case and will not commence until 2017 at the earliest. If it progresses then a new shared service agreement will be required and the current agreement with Horsham District Council will need to be terminated. In any event either party will be required to give six months' written notice to terminate. The new extension agreement will consider the potential for this arrangement.

## **8. Equality Implications**

- 8.1 There are no equality implications.

## **9. Background Papers**

None

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## **APPENDIX A - Major Building Control Projects in Crawley since 2011**

Three Bridges Road, Three Bridges – 14 dwellings

Matalan, London Road, West Green – Alterations & mezzanine floor

Rackam Close, Crawley – 7 dwellings

Rushetts Place, Langley Green – 16 flats

Milton Mount Primary School, Pound Hill – Extensions for 6 classrooms

High Street, Northgate – 4 storey office building

Gatwick Road, Northgate – Mercedes showroom & workshop

Spencers Road, West Green – 13 flats

Denne Road, Southgate – 8 flats

Broadfield Mosque, Broadfield – Extension

County Mall, Northgate – Extension for Primark & new car park ramp

Jenner Road, Northgate – Extension for Aerotron Ltd

High Street, West Green – Morrisons food store, retail units & 110 bed hotel

Deerswood Lodge, Ifield – 14 dwellings

Breezehurst Drive, Bewbush – 112 dwellings

Lark Rise, Langley Green – 9 flats & scout hut

Linac House, Fleming Way – Research & Development Centre

First Choice House, Langley Green – Conversion to apartments

Manor Green Primary School, Ifield – Extension for SEN accommodation

Langley Drive, Langley Green – 30 dwellings

Brunel Place, Northgate – 6 storey block of flats

Faraday Road, Northgate – Ambulance Make Ready Centre

Steers Lane, Pound Hill – 1248 dwellings

Stephenson Way, Three Bridges – Extension & refurbishment to MINI showroom

Brighton Road, Southgate – Conversion to 7 flats

Gatwick Road, Northgate – New office development (Nexus)

Central Sussex College, Three Bridges – Extension & alterations

The Tree, High Street, Northgate – Change of use to museum

Gales Place, Three Bridges – 13 dwellings