

Building Control Partnership Business Plan 2012-



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1. EXECUTIVE SUMMARY

- 1.1. This business plan covers the next term of the Partnership from 2012-2017. It builds on the resilience demonstrated over the first five year term and continues to use and develop the skills and expertise of the staff to deliver a wide range of services for customers and maximise income streams.
- 1.2. Since the challenges of the economic recession began in 2008, the Partnership has demonstrated a high degree of flexibility in mitigating a great deal of the financial pressure, caused by the reduction in the construction market, by being able to change working practices of staff and increasing the offer to customers.
- 1.3. The next term is unlikely to show much growth in the construction economy with predictions of a stabilisation in 2013 and possible growth of 2%-3% in 2014/15.
- 1.4. In order to maintain a balanced budget it is important to supplement income from Building Regulation charges with additional income from the consultancy. The decline in complex projects has had a direct effect on the level of work coming through the consultancy from external customers. Therefore a concerted effort to expand the internal market, with continued support from the three Partner Authorities, is paramount in maintaining income and increasing the diversification of roles of staff.
- 1.5. The changes to the building control system announced by Government in 2013 introduced the concept of site inspection plans. The inspection plan is directly related to the project and the cost of the work is directly related to the expected time spent on the project. This has had an affect on the programming of inspections and the target setting for performance monitoring of the group. It also further enhances the information available to the owner allowing for better liaison and feedback.
- 1.6. As mobile working is developed through 2014/15 improvements to the recording of site notes in real time and also an increase in the number of inspections which can be carried out by surveyors will be realised. Further development work will examine the ability to create on-site notices, letters and instructions for owners and builders. Development will also allow applicants to track applications, carry out historical research on their property and will give the opportunity for mobile working.
- 1.7. When the economic conditions have improved further legal advice will be sort to reconsider the case for the consultancy operating through a different delivery vehicle so as to allow greater flexibility in resourcing an increase in demand.
- 1.8. During this next term the Partnership will have to relocate, as the lease on our current accommodation will end in March 2015. This, together with the possibilities from mobile working will allow us to reduce our office accommodation and therefore costs.

- 1.9. An important area for consideration is the opportunity to expand the Partnership so as to encompass additional authorities. Discussions with a number of Kent authorities are ongoing with possible changes to service delivery in a number of authorities over the next few years offering further potential partners.
- 1.10. The next phase of the Partnership will not only consolidate the successes of the past six years but continue the expansion of services, staff development and improved customer service which the investment of the three Partner Authorities has allowed.

2. BACKGROUND

- 2.1. South Thames Gateway (STG) is a Partnership of three authorities (Gravesham Medway and Swale) that was established on 1st October 2007 to build in resilience for the building control service across the Thames Gateway area.
- 2.2. STG Building Control was founded on the extensive knowledge, experience, integrity and professionalism of the building control team to deliver a first class service to a population of over 470,000 people covering some 257 square miles of Kent.
- 2.3. The Partnership in fact delivers three complimentary services that impact on the health and safety of people living, learning, working or visiting the area.
 - The building regulation service which consists mainly of checking building plans, the inspection of building works in progress and appropriate enforcement to ensure all relevant building work complies with the building regulations.
 - A public protection service which includes both inspections and information which councils are required to provide, for example, dangerous structures, demolitions, unauthorised works, competent person schemes and the initial notices register.
 - A consultancy which delivers additional discretionary services including energy, fire risk, access and Code for Sustainable Homes assessments together with SAP and Sbem calculations and the provision of clerks of work to oversee Decent Homes and Condition surveys for local authority housing stock.
- 2.4. Following the success of the first five year term, Members unanimously voted for a continuance of the Partnership into a second term from October 2012 to September 2017. This decision has been endorsed and agreed at each of the Cabinets of the partner authorities.

3. REVIEW

- 3.1. 20012/13 was another important year for the Partnership. It marked the first year of our new five year term and began our transition to a new IT system. It also presented us with a further challenging of achieving a balanced budget without seeing much recovery in the construction economy.
- 3.2. Building regulation applications fell by around 16% against the previous year, however, overall charges income remained about the same netting just under £1 million at £998,346.00. Some of this was due to a number of large and complex applications that were deposited in 2011/12 but built in 2012/13 so that charges were accrued to last year.
- 3.3. Discussions were ongoing with other authorities to investigate the possible expansion of the Partnership. Presentations took place to four authorities detailing the advantages of increased resilience, reductions in costs, increased marketing and the availability of a wider portfolio of skills which could be utilised to deliver improved services and increase income streams. Of the four two authorities are still pursuing the possibility of joining the Partnership and this will be taken forward in 2013/14.
- 3.4. Building on the success of the 2011/12 customer survey a postal survey was carried out between May and July. The focus was on home owners who had expressed a wish to be more involved in the building control process. A concerted effort to engage with owners and to clearly explain their roles and responsibilities within the process proved to be a success with 95% recording their views as good or very good service delivery.
- 3.5. One of the most important projects last year was the investment in a new software system. In order to comply with procurement legislation, the process was overseen by legal and finance advisors. A full and detailed specification and tender document was prepared by the end of 2012 and the tender exercise carried out with a successful company being selected in January 2013. The transition from one supplier to another has been ongoing since February 2013 with an implementation date to go live at the 1st September 2013.
- 3.6. A comprehensive audit was carried out in June 2012 on behalf of Swale Council by Mid Kent Audit. It concluded that the controls surrounding the Partnership provided a substantial level of assurance overall. It also reported that the procedures and governance of the Partnership was an example of best practice in setting up and running a shared service. The Partnership was also reassessed in May and November 2012 by the BSI and continued with registration as a quality company under BS EN ISO9001:2008.
- 3.7. Further developments of the internal market saw us delivering a range of services to partner authorities which included: SAPs, EPCs, condition surveys, scoping and HHSRS surveys, structural and land surveys as well as fire risk assessments. Not only has this allowed the delivery of high quality, value for money services to our partners it has also helped to develop additional staff skills.

4. NATIONAL & LOCAL DRIVERS

- 4.1. During the review of building control processes the Government tasked the CIC and LABC to carry out a survey with customers to determine what value building control delivered to the construction industry.
- 4.2. The LABC and ACAI commissioned Lychgate Projects to undertake research to determine the value of Building Control to customers.

The objectives as outlined in their proposal dated 9 September 2011 were to identify:

- The contribution Building Control makes to projects and the benefits it brings
- Perceptions of the advice provided and the extent to which this is valued
- Responsiveness and timeliness of advice
- Preferences for an independent Building Control service versus own sign-off
- Sources of information on updates to Building Regulations
- Improvements required in the Building Control process.

These objectives were developed further during the questionnaire design phase. The research covers Building Control per se, regardless of whether this is provided by the LABC or private Approved Inspectors. Competitive issues are outside the scope of this project.

Methodology

- 4.3. Customer groups were identified who interface with Building Control. These were classified into 5 broad groups, with sub-categories. Care was taken to ensure a representative sample of the 'universe' in each group, with Lychgate undertaking independent sampling of organisations. The research was structured to be representative nationally, reflecting regional construction output.
- 4.4. Care was taken to ensure an independent, representative, random sample of contacts. Lychgate's comprehensive database of organisations within the construction industry was used.
- 4.5. For some of the larger Architects, Housebuilders, Contractors, Developers and other Clients, LABC and ACAI provided contact names at organisations which had already been selected at random.
- 4.6. Developers interviewed include British Land, Grosvenor Estates, Land Securities, SEGRO, Town Centre Securities and Whitbread Properties. Clients interviewed include Procure 21 Plus, Sainsbury, Tesco, Matalan, Booker plc, Comet, Homebase, HSBC and Westfield Shopping Centre.
- 4.7. Within Architects, Housebuilders and Contractors a mix of top companies and others were interviewed. The Lychgate database records Top 100 Architects, Contractors and Housebuilders, ranked according to turnover and in the case of

Architects, the number of technical staff. These rankings were sourced from Building Magazine and other published lists.

- 4.8. Amongst the Architects, top practices interviewed include Pick Everard, HLM, Devereux Architects, Keppie Design, Scott Brownrigg and Sheppard Robson, all of which are ranked in the top 30. Project Architects were interviewed, often at Director or Partner level.
- 4.9. 13 of the top 15 Housebuilders were interviewed, including Taylor Wimpey, Persimmon, Barratt, Bellway, Crest Nicholson and Redrow. Construction Directors, Design Managers and Technical Managers participated.
- 4.10. Amongst Contractors, Balfour Beatty, Laing O'Rourke, Kier and Morgan Sindall are examples of companies interviewed. Typical job titles of those interviewed were Design Managers and Contracts Managers.
- 4.11. The types of Specialist Trades selected are those which have most contact with Building Control, including those involved with loft conversion, window and door installation, roofing and retail fit out. These contacts and the small builders were sourced partly from Lychgate's database and also from Yell.com.

Benefits and issues

- 4.12. The main benefits experienced by customers of the Building Control service are the independent and impartial approval and inspection process, and the advice given on how best to achieve compliance. 9 in 10 stated that they benefit from these, with 7 in 10 saying these are the main benefits.
- 4.13. The extent to which users feel they benefit from Building Control is high. On a scale of 1 to 10 where 10 is of great benefit, 89% rated the extent of benefit at 7 or more, of which just over one-quarter gave the maximum score of 10.
- 4.14. The group who feel they are benefitting the least is Specialist Trades where 19% feel they do not gain strong benefits. It is mainly those with their own self-certification schemes who feel they benefit the least; i.e. Window and Door and Roofing Contractors.
- 4.15. There is a high level of satisfaction that Building Control is helping the industry to achieve its objectives. Over 80% feel that it helps to satisfy Clients that the job has been properly carried out, that it helps them achieve compliance and improves the standards of buildings. 70% feel it helps to reduce project risk, and 60% that it helps with finding solutions to problems. More Small Builders and Specialist Trades find that it helps with solutions than other groups. Developers and Clients were the least satisfied with this aspect, maybe because they are less involved generally.
- 4.16. The main issue with Building Control is the response times, although only 15% raised this without prompting. Consistency of service was also raised, albeit by only 7% unprompted.

- 4.17. Views are mixed on whether Building Control is a smooth or challenging process. Just over 3 in 10 consider it to be a very smooth process but almost 4 in 10 find that it can be challenging. Regardless of how challenging they think the process is, 97% think it is nevertheless worthwhile to achieve safe and compliant buildings.
- 4.18. Sources of information on changes to the Building Regulations are the internet, word-of-mouth and the trade press. The Planning Portal is the main web site used. Building Control Surveyors are an important source of information for 27% of Small Builders.
- 4.19. The important elements of the Building Control service have been examined in two ways (*the two approaches were; declared importance (score out of 10) and derived importance (identified by correlating overall satisfaction out of 10 with satisfaction with individual service aspects to identify underlying influences)*).
- 4.20. Those emerging as important in both approaches are:
- Co-operative and helpful
 - Provides timely advice and service
 - Professional
 - Responsive
 - Flexible
 - Offers advice proactively
 - Pre-empts problems
 - Part of the project team
 - Gives good quality technical advice.

Satisfaction with the service

- 4.21. Satisfaction is high with Building Control generally and with these important aspects of the service. Average overall satisfaction is 8.1 out of 10 where 10 is very satisfied, and on the last occasion the service was used, satisfaction averaged 8.2 out of 10. Both scores are high by industry standards. Only 6% are dissatisfied, with a similar proportion in each sector interviewed.
- 4.22. Although fewer of the Specialist Trades than others feel they are benefitting from Building Control, their satisfaction with the service is nevertheless high. Those who regard the process as challenging also show a good level of satisfaction.

Preference for independent checks or self-certification

- 4.23. 93% think it is important that the industry has independent third party checks of compliance rather than self-certification. For their own companies, 80% would prefer independent checks to self-certification. The difference between these two is down to individuals feeling that their company has high standards, but that others may not. The main concern about self-certification is an increase in non-compliance and rogue builders, through a reduction in quality and build standards.

Developers' and Clients' views

- 4.24. Large Clients and Developers are on the whole very positive about Building Control. Although just under half leave the contact with Building Control to their external teams, they nevertheless have a view on its value. 88% feel they and their projects are benefitting from the involvement of Building Control, giving a score of 7 or over out of 10 for the level of benefit they experience.
- 4.25. Almost all Developers and Clients (90%) would prefer to see independent third party checks of compliance with Building Regulations, rather than industry self-certification. The independent nature of checks on their teams is important to them.

Areas for improvement

- 4.26. The main area offering scope for some improvement based on ratings out of 10 for satisfaction is consistency of the Building Control service, across areas and Building Control Surveyors. While important, this factor did not emerge as a main driver of satisfaction. There was also a low level of satisfaction with help with value engineering but this is regarded as the least important aspect of the service. While satisfaction out of 10 with service responsiveness is reasonable, the unprompted comments show some scope for improvement here.
- 4.27. In common with the main issues raised, the most common suggestions for improvement were for a more consistent service, and better response times from the Building Control Surveyors.

Political

- 4.28. Following the in depth consultation last year the majority of changes to the building regulations came into force in April 2013. The main change to procedural arrangements, for the Partnership, was the introduction of site inspection service plans which replaced statutory notifications. This fundamental change was brought in to ensure that local authorities were notified throughout the construction process and a number of inspections could now be included which had not been considered in the previous arrangement. This has allowed for a better programme of inspection, improved communication with the owner and builder and value for money for the customer as the charge is based on the expected inspection regime.
- 4.29. During the "red tape challenge" part of the consultation a number of authorities have asked why the current partner authority scheme could not be extended to include site inspections in another authorities area, so that they were able to deliver a full service to their partner companies. The Government looked closely at this possibility as it would assist in bringing in further competition into the industry and which would likely to drive down costs for customers. In June 2013 the Government made a statement in the House of Commons advising that this type of cross boundary working could be achieved without changing legislation provided the inspection service was delivered through a Local Authority Company (LAC).

- 4.30. The LAC would have to register as an Approved Inspector (AI) and meet all the requirements of a private sector AI including insurance and indemnity provision. This would allow them to serve an initial notice on the authority where the work was to be undertaken and then carry out the building regulation function as an Approved Inspector. Further guidance will be distributed by the DCLG during this year to assist those local authorities who wish to pursue this course. This will offer an opportunity to the Partnership as well as a threat and its impact will not fully be determined until 2014/15 at the earliest.
- 4.31. A departmental circular was sent to all local authorities advising of the dangers of badly designed and constructed freestanding garden walls, following a fatality in 2012. However, it was felt that the measures in place through the Building Act were sufficient with these types of structures and no further legislation was tabled at this time. The circular reinforced the powers that local authorities have and reminded them of the need to consider their necessary use. Unfortunately no additional funding was felt necessary and whilst any works in an emergency or in default of a notice can be recharged to the owner of the wall defining that ownership is often costly and complicated and does not always reach a satisfactory conclusion.
- 4.32. Shared services in a number of different formats is becoming an increasingly attractive proposition to local authorities as they try to drive down costs and deliver better value for money. The Partnership has already demonstrated savings to the three partner councils, however, it is felt that further expansion would allow for greater economies of scale and further reductions in the contributions from the constituent authorities. Presentations to a number of Kent authorities have been delivered and at least two will be considering joining the Partnership through an options appraisal to be taken forward in 2014/15.

Economic

- 4.33. The construction sector is a key sector of the UK economy. It contributes almost £90 billion to the UK economy in value added, comprises over 280,000 businesses covering some 2.93 million jobs which is about 10% of total UK employment.
- 4.34. The construction sector has been affected disproportionately since the recession of 2008. In 2007 the construction sector accounted for 8.9% of the UK's Gross Value Added (GVA) which includes products and services but in 2011 the sector contribution had decreased to 6.7%. In early 2012 the construction contracting industry returned to recession for the third time in five years and public sector cuts have begun to bite on a construction activity with little support from the private sector at present.

Sociological

- 4.35. Demographic change also drives demand in the construction sector. An aging population and changes in the overall health of the population has implications for the provision of health care facilities, housing, education and infrastructure. Increased life expectancy and the health of older people impact on the need for hospitals and care homes and thus their construction, repair and maintenance. The aging population also has implications for the construction sector workforce and supply of skills in this sector. Key skills can be lost through retirement and

there is a need to inspire and attract younger works to the industry to replace lost skills.

4.36. The current population base for the three Councils is around 470,000 people. The trend analysis shows increases in all three areas likely to be 10% over the next fifteen years. The analysis also shows older people accounting for the largest increase and experience has shown that this will lead to an increase in adaptations to people's homes together with an increase in the expectation of people to be able to purchase lifetime homes. Up to 2011 there was an increase in the numbers of applications received from disabled customers. With the changes in charges legislation allowing for the same exemption as applies to those applications also being attributed to their carers, these figures were expected to continue to rise. However, in 2012 and 2013 there was a slight reduction in numbers which may be due to restriction on grant funding. As these applications are exempt from fees they are paid for by the contributions from partner authorities.

Technological

4.37. Fundamental to the Partnerships plans over the next four years is the implementation and development of a new back office system. The new system funded from IT reserves and approved by Members through Joint Committee is a web based product which will allow access to the system anywhere that can obtain internet coverage. In those areas that coverage is weak work can be carried out off line and the information and data automatically downloaded when coverage is re-established.

4.38. The new system will produce real time information for use on site and in the main office. In time, it will allow applicants and customers to track the progress of their applications and will allow searches to be carried out through an online facility. A number of management reports will be automatically produced so as to aid performance monitoring and resource planning.

4.39. New working arrangements will need to be put in place to facilitate mobile working which will allow for increased productivity per surveyor. The relay of real time information, the facility to write up inspection records on site, better enforcement through reviewing applicants as they are deposited picking up unauthorised works as well as better controls over dangerous structures and demolitions. Mobile working will also allow a reduction in costs for office space when the Partnership moves in 2015.

Legal

4.40. With the potential opportunity of cross boundary working comes the legal precedent of forming a Local Authority Company to apply for and register as an Approved Inspector with the Construction Industry Council (CIC). Legal advice will need to be sought as to the formation of this LAC. The private sector has already raised concerns about potential difficulties with this arrangement highlighting that local authorities will expect the council to subsidise any short fall in the LAC's trading account therefore allowing unfair competition. The Government have made it very clear that any LAC will have to have particular regard to the affects of EU State Aid rules and the provisions of company law and competition law.

4.41. There will also be legal implications of trading and operating as an Approved Inspector. By becoming an AI and operating in another council's area the LAC will be governed by the Building (Approved Inspectors etc) Regulations 2010 as well as the Building Regulations and this will introduce a number of new legal ramifications for staff who have not operated in this way before. Should this opportunity be progressed the division between the Partnership's local authority function and the LAC's contractual arrangements will need to be clearly defined in legal terms as well as in working arrangements.

Environmental

4.42. The global green and sustainable building industry is forecast to grow at an annual rate of 22.8% between now and 2017 as a result of increasing low carbon regulatory requirements and greater social demand for greener products. The UK's existing housing stock which accounts for over half of the greenhouse gas emissions from the built environment presents growth and development opportunities for the UK's low carbon and sustainable construction market. The Government's flagship policy in this area is the Green Deal which helps homes and businesses to pay for some of the cost of energy efficiency improvements through savings on their fuel bills.

4.43. The Partnership has continued to develop its discretionary services through the consultancy and many of these focus on the sustainability issues which directly affect the environment. We have two Code for Sustainable Homes assessors, five people accredited to produce SAPs, and one member of staff able to produce Display Energy Certificates for public buildings.

4.44. Not only are we able to help reduce the CO² production of each new or altered building but we also deal with environmental impacts from dangerous structures, demolitions and dilapidated buildings. These can directly affect the amenity of the local area and we regularly give advice on the reduction and re-use of redundant building materials.

4.45. A local driver that is extremely important to each of the partner authorities is how the work of the partnership demonstrates delivery on each of their priorities. These are shown in the Service Delivery Documentation (Appendix 1).

5. PERFORMANCE & BENCHMARKING

- 5.1. The purpose of the Building Control Performance Standards Advisory Group (BCPSAG) is to monitor the performance standards used by Building Control Bodies and to collect performance based evidence related to those standards so that an assessment can be made that current and future performance outcomes will meet the needs of the customer.
- 5.2. A set of indicators was published in 2007 and has been used annually since to obtain data from the whole sector. Whilst the 12 original standards still provide the core concerns for not only BCPSAG but more importantly the government, customers and the building control sector. There has been tremendous change an innovation in building technology practices and regulations since the original indicators were put in place.
- 5.3. LABC and ACAI sponsored an independent professional survey of customer opinion covering the complete range from local plan drawers, builders undertaking domestic work, medium and large developers, architects, contractors, through specialist contractors and members of competent person schemes. This comprehensive survey was widely supported by over 70% of all BCB's. This provided BCPSAG for the first time with a measure of client satisfaction with compliance work plus it enabled specific areas of compliance feedback attributed to each part of the building regulations.
- 5.4. The survey results made more sense to building control experts than previous attempts which were overtly focused on site inspections, and revealed the true extent of compliance work. This research, when extrapolated for a year shows that well over 4 million compliance interventions are made by BCB's, but surprisingly customers want higher levels of useful interaction and value the additional quality this brings.
- 5.5. The key findings of the analysis are shown below with comments on STG's performance against each criterion. 199 building bodies participated more than double last years' response.
 - The survey asked if there was a process of quality management system in place and if so whether it was accredited or audited by an external QMS or ISO company or their own system.

*Performance in the **Process Management Performance Indicator (PI)** was good, with the majority of respondents covering 12 or more of the 14 areas questioned. Three areas were identified as having room for improvement; pre-application advice, checks on dormant jobs, and certification before completion.*

The average score for this indicator was 84.9 and STG achieved 94 placing it in the highest bracket of 91-100. Of the three areas generally identified for improvement STG only had issue with that of checking dormant sites. Due to the economic situation many sites, in particular those that are self-build operations may take several

months or even years to complete. It would be uneconomic to engage a surveyor to inspect these sites to ascertain the stage of development. A monitoring officer has now been introduced to assist in maintaining contact with owners and developers to encourage updating of records without the need for costly site visits unless they are requested by the owner or contractor.

- Respondents were asked to state the total number of complaints they had received in the last 12 months, they were then asked to state how many of these were resolved satisfactorily, taken no further by the customer or escalated to a higher level including the Local Government Ombudsman.

*Responses to the **Complaints Handling Process PI** showed complaints rates were very low, with the average BCB receiving only one complaint per 236 applications. Half of the respondents resolved 80% or more of their complaints to customer's satisfaction, though individual performance varied widely. More complaints were due to service issues than technical issues.*

During 2011/12 we had 16 complaints with 7 being technical and 9 being service related which followed the national profile, however, our ratio of complaints to applications was higher at 180. However, all of the 16 complaints were resolved with none being escalated to a professional body or the Local Government Ombudsman. The average figure for resolution of complaints was 67% and our record based us in the top 57 BCB's with 100%.

- The survey asked for the number of building control applications received in the last 12 months, how many of these had started construction and of those, how many were still incomplete. The total building control fees charged in the last 12 months was also asked for.

Finally the breakdown of building control projects in terms of percentage of total projects was asked for ie, domestic alterations, extensions and improvements, new build homes, commercial alterations, education alterations and new build commercial and education.

*The **Building Control Work indicator** clearly shows that whilst domestic alterations, extensions and improvements constitute an average 68% per cent of applications this generates only 56% of fees, conversely for other types of project fees generate a higher percentage than projects.*

The disparity between projects and fees generated was even more marked for STG in 2011/12. 85% of projects were domestic generating 49% of total charges income leaving 15% of other types of projects generating the remaining 51%. This figure was particularly affected by income from the three medway academies, a major extension to a power station and a number of new build residential sites in all three councils. It also demonstrates the high levels of domestic work which are generated in the major conurbations within the STG area.

- This part of the report is split into four sections: people and skills, specialist experience, age and gender profile, and respect for people. For the first part the survey asked respondents to give their total numbers of staff in 11 categories covering direct and contract employees, full time and part time employees and employees qualifications.

*Responses to the **Building Control Staff** questions showed that BCB's predominantly employed full-time direct staff over half of whom were fully qualified with corporate membership of relevant professional bodies.*

STG followed the national profile although since the survey was carried out there has been a move from full time staff to take up a greater percentage of part time working.

- The second part of the survey asked for BCB's to input how many of their staff had extension experience in each of 9 specialist areas of building control work as well as an 'other' category if staff had extensive experience in an area not mentioned. The areas included were: structural engineering, fire engineering, acoustics, thermal, accessibility, towers and high rise, education, hospitals, safety sports grounds and other.

At just over 18% the largest proportion of staff had specialist experience in fire engineering and risk assessment, whilst the lowest area of expertise was acoustics which on average stood at 4% of staff.

At STG there was a wide range of specialism skills with education being the greatest in number. However, this was quickly followed by thermal, acoustics, fire engineering and structural engineering which all scored highly. There was slightly less expertise in dealing with hospitals, safety at sports grounds and high rise/towers.

- The third part of this question asked respondents to give the number of male and female staff within a designated number of age ranges.

Women made up an average proportion of 24% of staff. Almost two-thirds (63%) of staff were between the ages of 41 and 60 with the under 24 proportion being low (3.2%).

In comparison with the national profile the gender makeup of the workforce at STG shows women at 40% . In respect of ages between 41 and 60 STG is slightly higher than the national average at 68% and we have no representatives in the under 24 category.

- For the final part of the question the survey asked BCB's to input the number of employees that have left that had been recruited and the number of employees that had left and replaced in a specific role. It also asked for the total number of days lost through sickness, the total number of training days provided and finally the number of employees covered by invested in people recognition.

Over the past year more BCBs lost employees than gained, but the majority of respondents reported no change. This suggests a slight reduction in the size of BCB workforces over the last 12 months.

Again following the national profile there was “no change” on the levels of staffing within STG from the previous 12 months. However, all staff are covered by the investors in people recognition award which Medway Council currently hold. Our average number of days lost per employee through sickness was just above the medium (4.4 at 5.5) but this was affected by a member of staff on long term sickness through major illness. The total number of training days provided for direct employees put STG in the second highest category with 55 and reflects the development of staff skills in particular with regards to work in the consultancy.

- 5.6. As an outcome from this performance exercise we need to focus on two main areas. Firstly staffing, the move to part-time employment and its affect on resourcing and the age profile in respect of potential retirements and loss of skills and expertise. The second area which we should continue to focus on is the further development of specialist skills so as to continue to develop the range of services available.
- 5.7. Although not mandatory the CLG have “strongly recommended” this industry initiative which should be adopted by both Local Authority Building Control (LABC) and Approved Inspectors.
- 5.8. The LABC position is that it fully supports the building control performance standards and the performance indicators that support them. They also encourage each local authority to set local performance indicators which would achieve a national standard in for example, application acknowledgement, plan vetting, determinations (within 5 weeks or 2 months) and completion certificates which are shown on page 10 and are published on our website.

Quarterly Performance monitoring

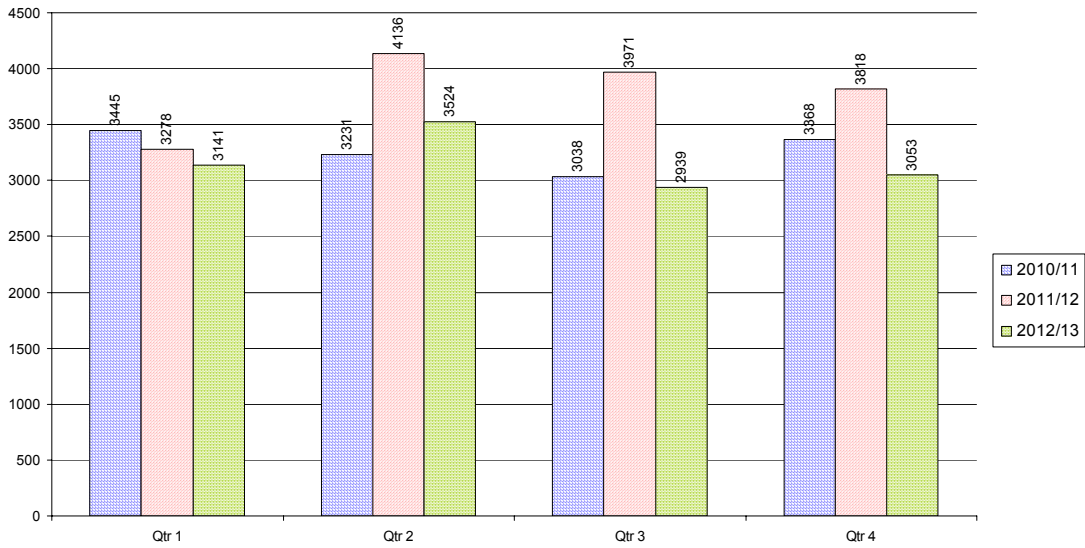
	% plans checked within 15 days	% plans checked within 10 days	% determined within 5 weeks /or 2 months	No of PCI's	% completion certificates sent within 5 days of completion	Reg & Ack within 3 days	% LC Searches - Medway within 3 days	% LC Searches - Swale within 3 days	HIPs - within 10 working days
2010-11	Target 85%	Target 70%	Target 100%		Target 95%	Target 95%	Target 95%	Target 95%	Target 95%
Q1	87.89%	70.70%	98.32%	n/a	59.89%	81.73%	100.00%	99.70%	90.63%
Q2	85.81%	64.19%	100.00%	n/a	73.39%	80.41%	100.00%	100.00%	69.37%
Q3	84.50%	68.42%	99.53%	33	71.79%	86.85%	100.00%	100.00%	96.72%
Q4	88.69%	77.37%	99.26%	65	97.12%	99.65%	100.00%	100.00%	100.00%
AVG	86.72%	70.17%	99.28%		75.55%	87.16%	100.00%	99.93%	89.18%
2011-12	Target 85%	Target 70%	Target 100%		Target 95%	Target 95%	Target 95%	Target 95%	Target 95%
Q1	88.85%	53.38%	90.79%	25	99.10%	88.82%	100.00%	99.66%	91.78%
Q2	88.34%	71.43%	99.47%	377	98.48%	97.54%	100.00%	100.00%	92.78%
Q3	90.79%	70.39%	100.00%	319	99.32%	99.71%	100.00%	100.00%	100.00%
Q4	96.63%	75.96%	100.00%	411	100.00%	95.22%	100.00%	100.00%	100.00%
AVG	91.15%	67.79%	97.57%		99.23%	95.32%	100.00%	99.92%	96.14%
2012-13	Target 85%	Target 70%	Target 100%		Target 95%	Target 95%	Target 95%	Target 95%	Target 95%
Q1	91.45%	69.14%	100.00%	203	99.66%	99.80%	100.00%	100.00%	100.00%
Q2	97.06%	84.03%	100.00%	166	100.00%	100.00%	100.00%	100.00%	100.00%
Q3	96.89%	85.74%	100.00%	122	100.00%	100.00%	100.00%	100.00%	100.00%
Q4	92.92%	69.34%	*	121	94.90%	58.06%	100.00%	100.00%	41.84%
AVG	94.58%	77.06%	100.00%		98.64%	89.47%	100.00%	100.00%	85.46%

* unable to provide data until 8 weeks following quarter end

5.9. In conjunction with the objectives in the business plan there will be a move to a function based model which matches resources against income for the three services referred to earlier but this is not likely to be implemented until 2014/15.

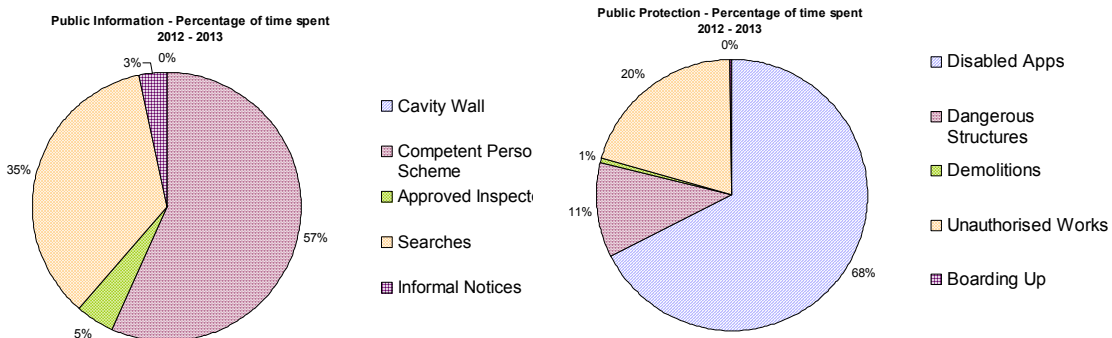
5.10. The inspection service was one of the most valued aspects of local authority building control. An inspection notification framework is issued with each project and it is often added to as the surveyor determines additional inspections which will inevitably arise. Again through the customer survey results it is evident that the majority of builders and developers welcome the frequency of visits and the ability to request a visit for advice. By operating improved working practices we are able to maintain over 3,000 inspections per quarter.

Quarterly number of Site Inspections carried out
2010/11, 2011/12 and 2012/13



5.11. There is a large proportion of statutory public protection services (non-chargeable work - detailed below) which the Partnership is required to carry out to fulfil the public protection duties of the three Partner authorities as well as maintaining certain registers which are required by law. This non chargeable work is resourced through the contributions from each Local Authority and was estimated to equate to 25% of the Partnership staff time for 2012/13. Through the action plans attached to each objective in this Business Plan we anticipate changing certain working practices and reorganise the team such that in 2013/14 we will be able to reduce the cost to the authorities by 2% with a further 2% the following year and half a percent for each of the last two years of the next term.

5.12. The charts below show comparisons of the time spent on non-fee earning work through public protection and information and inspection.



- **Disabled person applications**

With the extension to carers of the exemption to pay fees on building control applications it was not surprising to see a rise in the numbers of applications claiming exemption through the new charges legislation. However with grant funding still available the number of these types of applications decreased through 2012/13. The estimated value of income lost through this criteria is around £409k since March 2008, and the cost to the partnership is much greater in officer time as the time spent on inspections of these applications increases due to the necessity for increase customer contact to meet customer expectation.

- **Dangerous structures**

There were 184 reported dangerous structures in 2012/13 with a further 178 being monitored from previous years. Unfortunately there are many structures which although in a state of disrepair are not so dangerous as to require us to serve either a Section 77 or 78 (emergency measures) Notice on the owner. These remain the responsibility of the owner and it is for them to take remedial action. However, most of this type of preventative repair is not covered by insurance and is also very expensive to fund with the consequence that the structure remains unaltered until it deteriorates to such an extent that we need to serve a notice. The possibility then exists that if no funds are forthcoming the owner declines to do anything and the council have to step in to remedy the situation. We will carry out the minimum work necessary to remove the danger but cannot carry out full repairs or remedial works. The cost of the minimum work carried out is often then put as a charge on the property.

This process is often further lengthened as other parts of the Building Act deal with defective premises and dilapidated buildings which again rely on the courts serving notice and the owner carrying out the work. If the owners default on carrying out the work it falls again to the council to rectify the defects and recharge the owner often as a charge on the property which is only recovered in the medium to long term, if at all. Further difficulties exist where ownership cannot be determined and each council is expected to deal with the danger in the public interest. This can be extremely expensive when dealing with major structures that have failed.

- **Demolitions**

23 demolitions were inspected varying in size and impact on the local community in 2012/13. A number of inspections were required for each of these sites in order to make sure the demolition is carried out in accordance with Building Act requirements and that such things as drains and sewers were properly sealed. Currently the partnership is still monitoring 97 of the demolitions submitted in previous years which are either still ongoing or awaiting commencement. Liaison with the Health and Safety Executive is very important as the method of demolition is controlled under their legislation.

- **Unauthorised works**

222 unauthorised works were inspected in 2012/13 either as a direct result of complaints from the community or through the intervention of officers investigating works which they had discovered in carrying out a general site inspection. Currently the partnership is pursuing a further 160 cases of which 112 are currently recorded on Land Charges. Where possible many of the unauthorised works are converted to regularisation applications which generated additional income. Throughout 2012/13 officers from STG have vigorously pursued unauthorised work so as to reduce the burden on customers of illegal works and rogue traders. It remains the responsibility of the owner to ensure their property complies with the building regulations and whilst every effort is made to negotiate a way forward there are provisions within the Building Act to prosecute the builder and serve notice on the owner to ensure works comply.

- **Competent person schemes**

Members of these schemes are considered competent to self certify that their work complies with the relevant requirements and are used for installations such as new boilers, replacement windows and domestic electrical works. These place a heavy administrative burden on the Partnership as each installation needs to be recorded and the various scheme operators use a variety of systems to transfer data. In 2012/13 there were 30,038 notifications reported. A revised schedule of competent persons now includes roofing contractors and flat roof specialists.

- **Approved Inspectors**

It is a legal requirement to record each Initial Notice submitted by an approved inspector and to make this available to the public. There were 243 Initial Notices deposited in 2012/13 and each one was required to be checked against the approved inspector legislation to ensure validation and was required to be acknowledged within five working days.

- **Pre-application advice**

On larger projects we encourage pre-application discussion to try and resolve any potential problems before the statutory time periods for dealing with an application begin. This also gives us an opportunity to consult with other departments and services such as the Fire Service in order to deliver a more holistic approach to our customers.

5.13. The health, safety, welfare and convenience of our customers are paramount whether dealing with applications, dangerous structures, demolitions or unauthorised works. The service has been proven to provide excellent value for money and an action plan is being developed to enhance liaison with the supporting services i.e. Development Management, Environmental Health and Private Sector Housing from all three councils.

6. STAKEHOLDER EXPECTATIONS

- 6.1. One of the most difficult aspects of research we have found is trying to obtain feedback from customers. For most people, as owner/occupiers they only become involved with the building control process once or twice in their lives. Therefore they seldom respond to a questionnaire. On the other hand the agents they use are very familiar with the building control process and the personnel from various councils in their area and as such do not feel the need to engage in customer surveys. Lastly the larger developers may only deal infrequently with a particular building control body and have quite complicated structures with regards to contracting and subcontracting work. It is often quite difficult to determine the best person to respond to questionnaires about the process and again this has resulted in a very poor response.
- 6.2. Whilst we do get feedback from our partners at focus groups and forums following the seminars that we hold, we have to recognise that there are large groups in our customer profile where we have not benefitted from responses.
- 6.3. A postal survey was carried out during May and June 2012 on applications received during 2011/12 where plan checking had taken place or where works had commenced on site. The main aim of this survey was to reach owners who had been highlighted in the previous years' survey as feeling excluded from the building control process. All owners were written to as well as agents if this applied and where information held the builders were also contacted.
- 6.4. A total of 573 survey forms were sent out of which 115 responded (20% response rate). Though this is a much lower response than the previous year's 45%, this is an improvement for postal surveys where we generally receive a low response (between 2%-6%). The respondents covered the three authority areas to which we provide the building control service (Gravesham, Medway and Swale).
- 6.5. Of the processes involved with delivering the service, communication and speed of delivery were seen as important by all customers in last years survey (81% to 100% rated this as important), it is therefore encouraging to see that 93% to 95% of customers feel they have received a Good to Excellent service in this.
- 6.6. The level of contact with customers is important in ensuring that customers feel included in the building control process and are receiving value for money service. 90% of customers were pleased with the ease of contacting staff with 93% rating the advice provided as Good to Excellent.
- 6.7. Whilst it is important to know the partnership is providing a good service, it is also important to be aware as to whether this has changed over the year and, if so, why. This is so the service can move forward and understand/manage customer expectations. 81% of customers responded to this with 27% seeing an improvement in service delivery and 71% feeling the service remained the same. One respondent felt the service had declined but gave no reason for this and rated the individual services deliveries between Good to Excellent.

- 6.8. Staff received excellent feedback with 84% of customers finding them helpful and 54% to 60% finding them practical, knowledgeable and efficient. 4% of customers found staff officious and 3% unapproachable. Unfortunately no reasons were given for this response. With all types of applications contacted, including regularisations under enforcement powers, it may be a reflection on this category of work.
- 6.9. In order to evaluate whether we are providing fair access to our service customers were asked to complete an equality and diversity form. This was shortened from the previous years' following feedback from Joint Committee and review of what information collected has been used for over the last year.
- 6.10. The response to this part of the survey was better than expected for a postal survey, with 88% who responded completing or partly completing the Equality and Diversity Monitoring survey.
- 6.11. Our customer profile has remained the same with males forming the largest group at 83%, however, the majority of this group are aged between 55 and 64 (the middle three age bands 35-44, 45-54 and 55-64 all scored between 14% and 36%). 82% of this group mainly consists of White British men with 3% being Asian or Asian British forming the next highest group.
- 6.12. The majority of females that contacted the service were aged between 45 and 54 which is the same as in 2011/12 survey, however, 94% considered themselves White British with 6% being Asian or Asian British.
- 6.13. The intensive customer survey carried out in 2011 highlighted that owners felt detached from the service with little communication between themselves and our officers taking place. The customer survey carried out in 2012 was specifically aimed at owners to establish whether they felt the same following the service improvements initiated.
- 6.14. Commencement packs and officers engaging more with owners has seen an improvement. 86% to 96% of customers felt they received a Good to Excellent service. The ability to speak direct with staff that are knowledgeable with excellent attitudes features high with customers with 72% feeling that they have received this during their build.
- 6.15. Since 2012 we have produced a domestic development guide which covers extensions, alterations and conversions and includes helpful guidance. To achieve maximum coverage an E-Book has been produced which has been appended to all staff's email signatures and is available in both hard copy and electronic format from our website.
- 6.16. The quality of the service, as always, features as the most important to customers and we will be continuing to strive to improve our delivery further. Incorporated into our IT development strategy are features from both surveys that customers felt important. Technological advancements that will improve the efficiency of our site inspections and interaction with customers, such as mobile working and notification of site inspection by text.

7. VISION, OBJECTIVES & KPI'S

7.1. Vision

To provide an efficient cohesive partnership offering expertise, flexibility and professionalism in the administration of building legislation

7.2. Objectives for 2012-2017

- To improve customer satisfaction by providing an effective and efficient administration and site inspection regime in particularly through improved use of information technology and communication
- To raise the profile of STG by developing a dynamic marketing strategy and pursuing the expansion of the Partnership through additional partners.
- To provide a healthy, safe and accessible built environment, reducing the carbon footprint and contributing to sustainable construction.
- To provide additional services through a consultancy to generate additional income.
- To continually review contributions by partner authorities to reflect reductions in expenditure.

7.3. Key projects for 2014/15

- Enable customer self-service for tracking and searches
- Increase use of mobile technology with the ability to update in real-time
- Increase income from consultancy services by 20% over the revised 2013/14 budgeted figure
- Continue to examine the use of different delivery models for the partnership and the consultancy
- Further expansion of the Partnership with the inclusion of new partner authority
- Relocate Partnership's head office
- Revisit and adopt a relaunched marketing strategy

7.4. National and local key performance indicators

Allocate resources to deliver the following performance indicators:

- 70% of plans checked within 10 working days
- 85% of plans checked within 15 working days
- 95% of applications processed within 3 working days

Monitor and report to Joint Committee on:

- The percentage of site visits which produced advice and guidance to the customer that prevented a breach of the Building Regulations
- Income against target
- The competition within the commercial and education sectors
- Our role in Public Protection through enforcement, dangerous structures and demolitions
- Recovery of aged debt

8. FINANCE AND RESOURCES

- 8.1. In order to meet the timetable required by the Constitution the first draft of the Business Plan is required to be presented to Joint Committee in September 2013, however, this date was changed by Members to the 2 October due to diary constraints. The financial plan on page 25 has been amended to take into account any known pressures and savings over the next five years up to and including 2016/17. This will allow partner authorities to show their contribution commitment over the next five years in their budget planning forecasts.
- 8.2. The reduction in the amount of contribution will equate to 18.15% over the life of the Business Plan. The budgets have been built on the basis of a reduction in non-chargeable work from 25% in 2012/13 to 23% in 2013/14, 21% in 2014/15, 20.5% in 2015/16 and 20% in 2016/17. A review will take place each year to ensure these savings are on track and to deal with any unexpected pressures or gains which may be identified. The new draft incorporates a recognised decrease in premises costs due to the fact that in 2015/16 the lease of the current accommodation ends. With the advancement of mobile working and a reduced requirement for office space there will be an expected reduction of 15% in premises costs.
- 8.3. In 2010 a Value for Money exercise was carried out by Gravesham Borough Council which proved that the Partnership continued to deliver cost savings against the service had it remained in house. A further audit was carried out by Swale Borough Council in June 2012 which came to the same conclusion and stated that the controls surrounding the building control partnership provide a substantial level of assurance overall.
- 8.4. The total contributions will have reduced by £60,000 between 2012 and March 2017.
- 8.5. Should the Partnership expand during this time and incorporate one or more new authorities the financial plan will be revisited to adjust percentages for contributions and incorporate new expenditure and income totals. Before accepting any new partners the Constitution requires a Business Plan to be presented to Joint Committee demonstrating due diligence such that the addition affords further savings and further reductions in contributions for the original partners. Whilst no joining fee is prescribed, it is expected that an authority applying to join the Partnership will cover its legal and setup costs and any ongoing commitments such as; transitional travelling costs. TUPE costs will have to be resolved along with any redundancy/retirement costs by the joining authority prior to application.

Five Year Budget Build and Contribution Calculation For 2012/2013 - 2016/2017

	<u>2012/13 Budget</u>	<u>2013/14 Budget</u>	<u>2014/15 Budget</u>	<u>2015/16 Budget</u>	<u>2016/17 Budget</u>
Staffing	1,093,010	1,108,773	1,129,538	1,145,138	1,158,543
Premises	102,346	102,532	102,532	87,194	87,194
Transport	48,580	46,580	46,580	46,580	46,580
Supplies and Services	104,942	108,030	108,030	108,030	108,030
Support Services	58,210	58,210	58,210	58,210	58,210
Total Cost:	1,407,088	1,424,125	1,444,890	1,445,152	1,458,557
Contributions	-351,772	-327,549	-303,427	-296,256	-291,711
Fee Income	-1,102,052	-1,096,576	-1,141,463	-1,148,896	-1,166,846
Total Income	-1,453,824	-1,424,125	-1,444,890	-1,445,152	-1,458,557
Net (surplus) / deficit	-46,736	0	0	-0	-0

<u>Contribution Calculation</u>	<u>2012/13 Budget</u>	<u>2013/14 Budget</u>	<u>2014/15 Budget</u>	<u>2015/16 Budget</u>	<u>2016/17 Budget</u>
Fee Earning 80%					1,166,846
Non Fee Earning 20%					291,711
			0	0	1,458,557
Fee Earning 79.5%				1,148,896	
Non Fee Earning 20.5%				296,256	
			0	1,445,152	0
Fee Earning 79%			1,141,463		
Non Fee Earning 21%			303,427		
			1,444,890	0	0
Fee Earning 77%		1,096,576			
Non Fee Earning 23%		327,549			
		1,424,125			
Fee Earning 75%	1,055,316				
Non Fee Earning 25%	351,772				
	1,407,088				
Fee Earning 73%					
Non Fee Earning 27%					

<u>Authority And Agreed Percentage</u>	<u>2012/13 Budget</u>	<u>2013/14 Budget</u>	<u>2014/15 Budget</u>	<u>2015/16 Budget</u>	<u>2016/17 Budget</u>
Gravesham 20%	70,354	65,510	60,685	59,251	58,342
Swale 27%	94,978	88,438	81,925	79,989	78,762
Medway 53%	186,439	173,601	160,816	157,016	154,607
	351,772	327,549	303,427	296,256	291,711

9. WORKFORCE PLANNING AND ORGANISATIONAL CHANGE

- 9.1. Signs of any recovery in the construction industry remain far off with predictions of a slow return to growth around 2014/15. It is predicted that activity at that time will have recovered to where it was in 2010. The Partnership has shown great resilience in combating the pressures of the economy by diversifying its workforce. This has to be maintained to ensure a continued delivery of high quality services and value for money for each partner authority.
- 9.2. Income streams, therefore, have to be set at realistic levels and there will be continued pressure on the building regulation charging account until the economy recovers. Some of the pressure this puts on a balanced budget can be relieved by driving down running costs and this has been applied to the budget over the next five years and is included in the previous section under financial planning. There are also other opportunities available to the Partnership by diversifying work through the consultancy, increasing work in the internal market and looking at the possibilities of expansion.
- 9.3. The implementation of the new back office system in September 2013 and its continue development will help realise these opportunities as well as giving scope to further retraining and reorganisation. It would facilitate a much easier transition should other authorities join the Partnership as its web based access will not be reliant on any one council's IT infrastructure. Also its mobile capabilities, whether in the office, at satellite accommodation, on site or home working will allow for easy retrieval of documents and information and the ability to update applications in real time.
- 9.4. The improvements over the next 12 months allowing customers to carry out searches online, track their applications and review inspections for their sites will inevitable reduce the amount of customer transaction required through the technical administration team. Since 2007 this team has reduced in capacity by 40% and this new shift in workflow would allow for dedicated staff to support the expanding range of services available through the consultancy. By 2015 the consultancy will be expected to generate £125,000 and will be able to support a technical administrator and two full time surveyors. Consideration will then be given as to whether the creation of a local authority company would better deliver the expanded portfolio. By 2014/15 60% of the support team will be on part-time contracts and it is likely during that year a number of surveying staff will apply for this type of working arrangement. Whilst flexible working can be accommodated within the structure it will also give the opportunity to recruit new staff in order to backfill the reduced hours contracts.
- 9.5. The introduction of mobile working will allow for much greater flexibility in the surveyors inspection service. Over the next year surveyors will be able to see their daily workload on their tablet at the beginning of the day, go directly to site from home, view plans electronically and maintain their site inspection records updating the back office system in 'real time'. This will reduce staff time on site, enable greater numbers of inspections to be carried out and deal with enquiries including dangerous structures, demolitions and unauthorised works at the point of origin. This increased performance for the surveyors will help to

accommodate a reduction in numbers allocated to the building regulation charging account.

- 9.6. The possible expansion of the Partnership will inevitably introduce a change in working practices together with some organisational change. It is probable that a new authority would require a satellite office to function from an operations point of view but the main administration of all types of application would remain through the head office. Because of the adoption of the new IT system access will be available any where the internet can be accessed and visits to the main office could be kept to a minimum.

10. Conclusion

- 10.1. The first five years were challenging in respect of the economic situation and the slow recovery in the construction industry. The Partnership has shown over this first term how its flexible approach has been able to mitigate much of the financial pressures it has faced whilst maintaining excellent services to customers.
- 10.2. The next five years will be equally as challenging but with the assurance of continued improvement as we see the benefits of the IT investment comes to fruition and the consolidation of alternative services which help to both develop staff and generate additional income.
- 10.3. The consolidation of the changes to the Building Regulations has been ongoing through 2013. The outcome of the consultation on housing standards which began in September 2013 may result in further strengthening of the national building regulations to increase control of carbon dioxide emissions from buildings and also incorporate security and space requirements as elements of the code for sustainable homes are withdrawn. The Government have made a clear declaration that they intend to use the building regulations to ensure they meet their zero carbon ambition in 2016. The changes, therefore, that were made in 2013 are seen as a step change towards achieving that goal.
- 10.4. The feedback from stakeholders has been invaluable in shaping how the Partnership will look in the future and how it will meet the expectations of its customers. There is the possibility of expansion, so as to include new authorities and new staff with additional skills. We will need to move to a new headquarters building in 2015 where location, accessibility and cost will be paramount concerns and we will further develop the consultancy with a wider range of services and new employment possibilities. The next 3 years will be both challenging and rewarding for all those involved in the STGBC partnership.