

# **SOUTH THAMES GATEWAY BUILDING CONTROL JOINT COMMITTEE**

**20 September 2012**

## **MONITORING REPORT APRIL TO AUGUST**

Report from: Tony Van Veghel, Director, South Thames Gateway Building Control Partnership

### **Summary**

This report updates the Joint Committee on the current forecast for the 2012/13 financial year and gives details against the progress of the objectives of the Business Plan 2012/2017.

### **1. Budget and Policy Framework**

- 1.1 The Joint Committee requires the preparation of monitoring reports to be reported to the Officer Steering Group and Joint Committee.

### **2. Background**

- 2.1 This report gives an overview of the position of both the budget and the progression against the objectives shown in the Business Plan 2012/2017. The number of applications fell in the first quarter of the year but have rallied over the last two months to approximately match application received last July and August.
- 2.2 Income on the first quarter was bolstered by accruals from last year, however, monthly figures continue to be below expectations. Given the lack of activity in the construction market and the forecasts for the rest of the year showing no growth, the budget forecast has been adjusted. The original budget showed a potential surplus of over £46,000, however, this is extremely unlikely to be delivered. The main focus will be to deliver a balanced budget so as not to put a burden on the Partner Authorities in pursuing any additional funding. The forecast reduction in income has been balanced by savings in costs on staffing, premises and transport, the loss of the proposed surplus and additional income from the consultancy and regularisations. Details of applications and income received compared against the last two years are shown in Appendix 1. A budget monitoring statement for August is included in Appendix 2.
- 2.3 Presentations have been given to Gravesham and Swale regarding work that we can carry out via the consultancy. These have been very well received and some work has already been undertaken for each authority. Work continues on the

decent homes programme for Medway; however this is likely to end around September, so discussions are on going regarding responsive repairs and condition surveys.

### **3. Delivery Plan Summary Update**

- 3.1 Joint Committee met on 14 June 2012 and considered a number of reports including Annual Report, Final Statement of Accounts, Succession Planning, Administrative Arrangements as well as formally adopting the Business Plan 2011/14 and Financial Plan to 2015. Whilst Members were supportive of an apprenticeship scheme to plan for future resource issues it was not approved, as it was determined not financially viable at this time.
- 3.2 Further discussions have taken place between Tonbridge and Malling (T&M) and STG regarding the potential of expanding the Partnership. A working model is being prepared between the Director of the partnership and head of Building Control at T&M so that a proposal can be included in an option paper to be presented later in the year.
- 3.3 Discussions have taken place with Persimmons Homes to try and partner with the company for all of its developments in the South East, including Kent, Sussex and Surrey. The negotiations include work with the LABC warranty providers who will be able to provide the necessary building warranty as well as road bonds to facilitate the build. In August 2012 Persimmons Homes South registered partnering with us with LABC. However, in providing our first quote for a development in Dartford they have advised that they have been approached by other corporate approved inspectors and are considering their position with regards to the submission.
- 3.4 Meetings have been conducted with the Medway's IT and the Head of procurement regarding the investment in a new IT system. A project manager has been appointed and approvals given to take the process through the Gateway process. A specification for the new IT system is being drafted together with a number of papers to demonstrate returns on investment for mobile working, self service and application tracking.

### **4. Use of resources overview**

- 4.1 In order to supplement the income budget we have taken on additional work in Swale and Gravesham outside of our usual consultancy roles including structural surveys and land surveys. We have also delivered an EPC for a large commercial property in Medway. Where we are not able to deliver this work through our own staff skills we have been able to facilitate the service through external consultants.
- 4.2 We have been promoted as an example of good practice in a presentation to Medway's Members regarding the potential savings in accommodation costs which would materialise through true mobile working using a new IT system. Within our new 5 year business plan we will be progressing mobile working, hot desking and satellite office working so as to reduce office space and costs. The lease on our present building expires in 2015 and we need to prepare for a reduction in office

space after that time. There is also the possibility of expansion of the Partnership and taking on a new authority. Should this occur we would need to free up the space to accommodate new staff members without increasing office space.

## **5. Performance Risks/Emerging Issues**

- 5.1 The fall in applications and consequent income adds a pressure to achieving a balanced budget. Reports from the three partner Authority's Development management teams reinforces the picture of reduced numbers of planning applications. Discussions with local builders and architects / designers indicate lower levels of activity in the construction market. Until homeowners and developers are able to borrow from the financial institutions this activity is likely to remain low and indications are that there will be little improvement in this financial year.
- 5.2 Whilst we will endeavour to direct as much staff cost as possible to the consultancy it can only be based on demand. As the construction industry has been cited as the worst hit sector of industry in this recession, there has also been a considerable fall in the demand for energy calculations, SAP's and EPC's. This could mean a consequent fall in the budgeted income from the consultancy as well as the building regulation account.

## **6. New ways of working and value for money**

- 6.1 We have begun the process of procuring a new IT system which will enable true mobile working and customer self service, however due to the procurement process this is not likely to be available as a workable solution until April 2013. In order to maximise income on the building regulation account we will increase activity in enforcement and try and convert as many unauthorised works as possible to regularisation applications. However, this will only generate income in the medium to long term as the enforcement procedure is very labour intensive and conversion to a regularisation application is not a guaranteed outcome.

## **7. Workforce Development**

- 7.1 One of the objectives of the partnership is to support staff in attaining their goals identified through the PDR process. Four surveyors have identified a goal of achieving corporate membership of the Association of Building Engineers within the next 18 months. So as to achieve this they are obliged to attend a seminar on what is required to attain membership. As we had four attendees The ABEng held the seminar at STG and a further six candidates attended. Our four candidates will now be working through the requirements to achieve membership including a 12month portfolio and a number of one day examinations.
- 7.2 The Seniors group underwent mentoring training in order to prepare them for their role as mentors to the surveyors and a series of technical and administrative meetings have taken place every four weeks which has been able to address consistency issues in service delivery. Further work shadowing will be undertaken by those surveyors carrying out responsive repair inspection, if we are successful in winning that work.

## **8. Data Quality**

8.1 A management review meeting has taken place and a number of issues identified as requiring review including a consistent approach to contravention recording through inspection reports, the monitoring of dangerous structures and the keeping of event logs. The BSI carried out a full audit under ISO 9001:2008 and we are pleased to report we passed the audit and continue to be a Quality Assured company. A full audit has also been carried out by Swale Council in keeping with their terms of reference and audit timetable, It is concluded that the controls surrounding the Building Control Partnership provide a substantial level of assurance overall. A separate report is being taken to Joint Committee to examine the outcomes of the audit.

## **9. Fair Access to Services**

9.1 The assessment of planning applications by the Chair of the Medway access group is facilitated through one of our trained Access surveyors. This process is seen as a significant demonstration of complying with the obligations for local authorities laid down by the Equality Act 2010. The number of applications for disabled people has increased year on year and these applications are dealt with promptly so as to ensure early delivery of the benefits of the development. These applications are not charged for to the client but are funded from the Partner contributions.

## **10. Customer Feedback and Consultation**

10.1 An extensive personalised survey began in May and concluded in July. This follows our survey last year, which identified home owners as a particular group who needed more information regarding the work on their properties. This personalised approach will help to identify if the changes we are making to inform home owners of the roles and responsibilities of each party in the building control process is working. We have devised starter packs to assist in distributing information and have teamed up with LABC to produce a helpful booklet which is available in hard copy and on our website.

10.2 A separate questionnaire has been sent to users of our consultants dealing with Part P (electrical safety) to determine if they were receiving a good service. A high number of responses were received back and over 95% recorded a good or very good service. The conclusions of the survey were shared with the provider.

## **11. Benchmarking**

11.1 Details of the quarterly benchmarking statistics are shown in Appendix 3. The completion of the scoping surveys in April and May had an expected impact on achieving the 10 and 15 day target dates for plan vetting in this quarter. In line with the comments from the Swale Audit report and the STG Steering Group, percentages for the targets have now been agreed and reflect the resources available within the building regulation charges account given the demand of other income generators. All other targets have been met. Unfortunately little has been

done to compare these results as a comparison with other authorities in Kent through Kent Building Control. However our data will continue to be fed in and if necessary a smaller benchmarking group will have to be formed. The Chair of Joint Committee has requested that we target performance along with customer care as a particular objective this year.

## **12. Key Workstreams for the Next Quarter**

- Further work with potential partners regarding expansion of the partnership.
- Pursuit of procurement of IT system through gateway process.
- Re-instatement of a more structured duty officer arrangement to improve customer care.
- Bid for responsive repair surveys and condition surveys.
- Increase enforcement activity and regularisation applications.
- Prepare new 5year business plan for new term of Partnership.

## **13. Financial Implications**

13.1 There are no direct financial implications as a result of this report.

## **14. Legal Implications**

14.1 There are no direct legal implications as a result of this report.

## **15. Risk Management**

15.1 There is a risk that there will be a further call on contributions from the three partner authorities if applications and income remain low for the remainder of the year.

## **16. Recommendation**

16.1 Members are asked to note the contents of the report.

## **17. Suggested Reason for Decision**

17.1 The Constitution requires Joint Committee to maintain a monitoring role on the progress of the Partnership.

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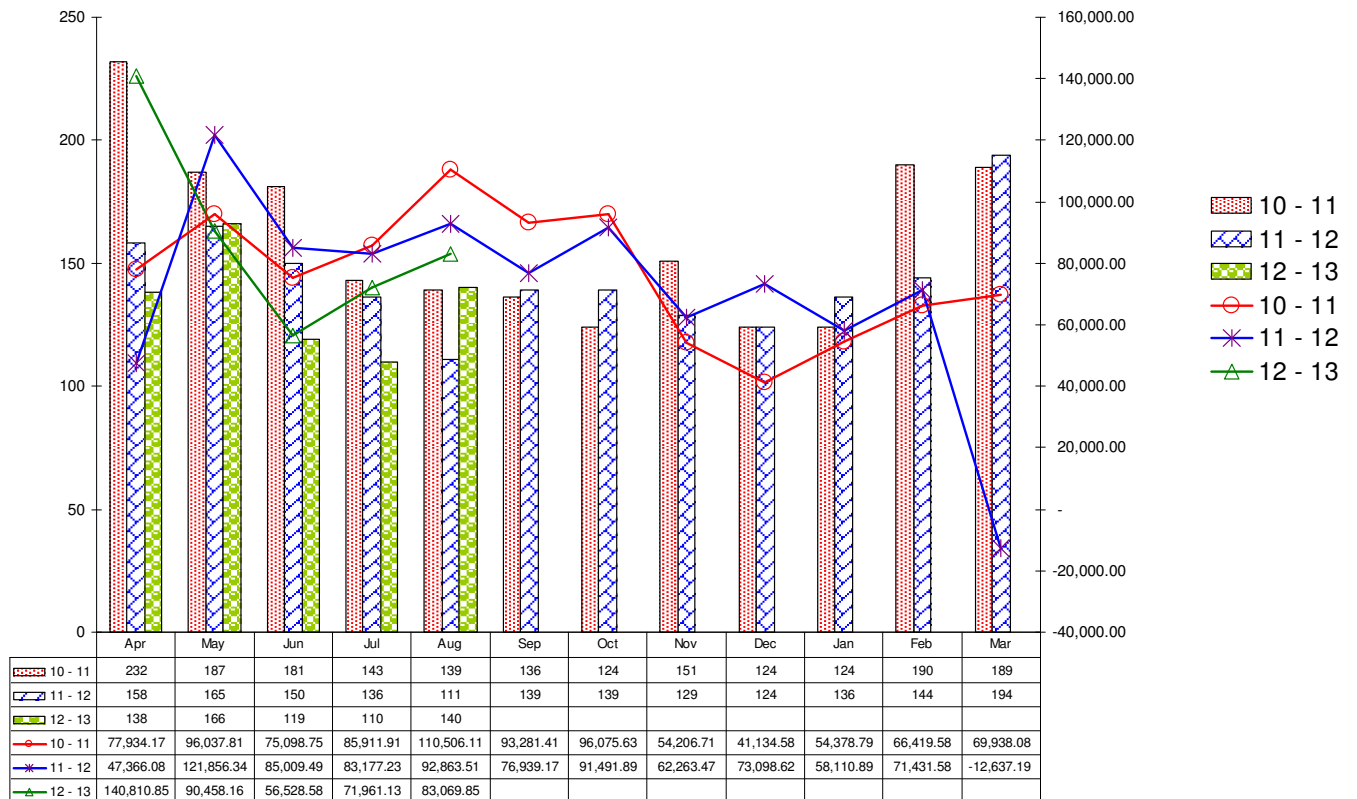
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**Background papers**

None

## Fee Earning Applications Received against Fee Income

Fee Earning Applications Received against Fee Income  
2010/11 to 2012/13



## Appendix 2

August 2012 Monitoring Statement for STG Building Control Partnership

Subjective Description	Current Year Total Budget	Total Actuals and Commitments Year to Date	Manager's Forecast	Manager's Variance
Admin Staff	1,065,590	428,252	1,027,910	(37,680)
Prem Retire Added Lump Sum	0	0	0	0
VDU/Eye Tests	0	0	0	0
Medical Referrals	0	0	0	0
Clothing Allowance	2,000	116	2,000	0
Call Out Fees	9,819	5,184	9,819	0
Employee Related Insurance	1,601	1,601	1,601	0
Staff Training	7,000	706	7,000	0
Staff Training STG Consultancy	7,000	0	7,000	0
<b>Subtotal for staffing</b>	<b>1,093,010</b>	<b>435,859</b>	<b>1,055,330</b>	<b>(37,680)</b>
Repairs Maint Buildings Gen	3,500	0	3,500	0
Electricity	5,500	0	5,500	0
Gas	3,500	0	3,500	0
Rents External	55,282	0	55,282	0
Non Domestic Rates	25,000	0	22,000	(3,000)
Water & Sewerage Charges	2,000	0	600	(1,400)
Contract Cleaning	6,000	1,968	6,000	0
Window Cleaning	700	0	600	(100)
Trade Refuse	164	40	400	236
Premises Security	0	0	0	0
Premises Insurance	700	0	700	0
<b>Subtotal for premises</b>	<b>102,346</b>	<b>2,008</b>	<b>98,082</b>	<b>(4,264)</b>
Vehicle Insurance	330	330	330	0
Public Trans	500	178	500	0
Park Fees	250	34	250	0
Staff travel -Leased Mileage	9,000	2,311	6,000	(3,000)
Casual User	500	48	500	0
Essential User	38,000	14,852	38,000	0
<b>Subtotal for transport</b>	<b>48,580</b>	<b>17,753</b>	<b>45,580</b>	<b>(3,000)</b>
Equip/Furn/Mats	1,500	0	1,500	0
Equip Rental Leases Licences	5,900	1,167	4,500	(1,400)
Equip Annual Maintenance	0	1,177	1,500	1,500
Books/Pubs/News0	2,500	0	2,500	0
Bottled Water Coolers	400	108	400	0
Refreshments at Meetings	800	95	500	(300)
Printing/stationery/expenses	0	72	100	100
Printing	2,000	537	1,900	(100)
Printing STG Consultancy	2,000	294	2,000	0
Printing Public Protect	500	0	500	0
Stationery	3,200	2,020	3,200	0
Stationery STG Consultancy	1,500	0	1,500	0
Stationery Public Protect	500	0	500	0
General Office Expenses	500	0	500	0
Microfilming	500	0	500	0
External Audit Fees	2,712	(3,000)	2,000	(712)
Agency Staff Security	1,400	463	1,400	0
Consultants Fees	6,000	471	4,000	(2,000)
Consultants Fees Non Chargeabl	0	1,368	2,000	2,000
Consult Fees Part P Electri	1,000	1,820	6,934	5,934
Consultant FeesSTG Consultancy	6,000	3,878	6,000	0
Consultancy Public Protect	1,000	0	1,000	0
Clerking for Governor Meetings	0	0	300	300
Land Registry Fees	1,000	139	1,000	0



Subjective Description	Current Year Total Budget	Total Actuals and Commitments Year to Date	Manager's Forecast	Manager's Variance
Pager Mobile Phone	1,400	7	1,800	400
Call Costs	130	34	130	0
Line Rental	270	83	270	0
Postage	7,000	3,359	7,000	0
Postage STG Consultancy	3,000	172	2,000	(1,000)
Computer Hardware	2,000	175	2,000	0
Computer Software	25,200	22,325	25,200	0
Subsistence	2,000	0	2,000	0
Subscriptions	7,000	3,463	8,000	1,000
Subscriptions STG Consultancy	2,000	130	2,000	0
All Risks Insurance	1,030	1,030	1,030	0
Officials Indemnity Insurance	500	0	500	0
Publicity	7,500	226	7,500	0
Publicity STG Consultancy	2,000	0	2,000	0
Publicity Public Protect	500	148	500	0
Miscellaneous Expenses	0	161	0	0
Advertising	500	0	500	0
Contribution to I.T. Reserves	2,000	0	2,000	0
Contributions to Bad Debt Prov	0	0	0	0
<b>Subtotal for supplies and services</b>	<b>104,942</b>	<b>41,920</b>	<b>110,664</b>	<b>5,722</b>
Fin Mgmt SLA	8,100	0	8,100	0
Exchequer SLA	5,200	0	5,200	0
HR SLA	3,416	0	3,416	0
Org Dev SLA	2,534	0	2,534	0
Adv & Cons SLA	954	0	954	0
HR Ops SLA	742	0	742	0
HR Resource SLA	962	0	962	0
H&S SLA	1,002	0	1,002	0
IT Comp SLA	25,200	25,200	25,200	0
Legal SLA	10,100	0	10,100	0
<b>Subtotal for support services</b>	<b>58,210</b>	<b>25,200</b>	<b>58,210</b>	<b>0</b>
Conts from OLAs	(351,772)	(175,886)	(351,772)	0
<b>Subtotal for grant/DOH income</b>	<b>(351,772)</b>	<b>(175,886)</b>	<b>(351,772)</b>	<b>0</b>
Fees & Charges General	(4,500)	(2,633)	(4,500)	0
Land Charges Fees	(25,000)	(4,285)	(25,000)	0
Building Control Fees	(992,552)	(422,360)	(855,437)	137,115
BldCtFeeConsultSTG Consultancy	(50,000)	(40,395)	(85,000)	(35,000)
Bldg Ctrl Regularisation	(30,000)	(17,347)	(40,000)	(10,000)
Bldg Cont Fees Part P	0	(3,122)	(3,122)	(3,122)
BldCtFees PartPPart P Electric	0	(2,812)	(2,812)	(2,812)
Advertising Income	0	(160)	(160)	(160)
Miscellaneous Receipts	0	(63)	(63)	(63)
<b>Subtotal for other income</b>	<b>(1,102,052)</b>	<b>(493,177)</b>	<b>(1,016,094)</b>	<b>85,958</b>
<b>TOTAL EXPENDITURE</b>	<b>1,407,088</b>	<b>522,740</b>	<b>1,367,866</b>	<b>(39,222)</b>
<b>TOTAL INCOME</b>	<b>(1,453,824)</b>	<b>(669,063)</b>	<b>(1,367,866)</b>	<b>85,958</b>
<b>TOTAL RECHARGES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL NET</b>	<b>(46,736)</b>	<b>(146,323)</b>	<b>0</b>	<b>46,736</b>

## Appendix 3

### Benchmarking

#### Quarterly Benchmarking

	% 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	Registration & Acknow within 3 days	% LC Searches - Medway within 3 days	% LC Searches - Swale within 3 days	HIPs (Building Information Searches) - within 10 working days
<b>2010-11</b>	<b>Target 85%</b>	<b>Target 70%</b>	<b>Target 100%</b>		<b>Target 95%</b>	<b>Target 95%</b>	<b>Target 95%</b>	<b>Target 95%</b>	<b>Target 95%</b>
<b>Q1</b>	87.89%	70.70%	98.32%	n/a	59.89%	81.73%	100.00%	99.70%	90.63%
<b>Q2</b>	85.81%	64.19%	100.00%	n/a	73.39%	80.41%	100.00%	100.00%	69.37%
<b>Q3</b>	84.50%	68.42%	99.53%	33	71.79%	86.85%	100.00%	100.00%	96.72%
<b>Q4</b>	88.69%	77.37%	99.26%	65	97.12%	99.65%	100.00%	100.00%	100.00%
<b>2011-12</b>	<b>Target 85%</b>	<b>Target 70%</b>	<b>Target 100%</b>		<b>Target 95%</b>	<b>Target 95%</b>	<b>Target 95%</b>	<b>Target 95%</b>	<b>Target 95%</b>
<b>Q1</b>	88.85%	53.38%	90.79%	25	99.10%	88.82%	100.00%	99.66%	91.78%
<b>Q2</b>	88.34%	71.43%	99.47%	377	98.48%	97.54%	100.00%	100.00%	92.78%
<b>Q3</b>	90.79%	70.39%	100.00%	319	99.32%	99.71%	100.00%	100.00%	100.00%
<b>Q4</b>	96.63%	75.96%	100.00%	411	100.00%	95.22%	100.00%	100.00%	100.00%
<b>2012-13</b>	<b>Target 85%</b>	<b>Target 70%</b>	<b>Target 100%</b>		<b>Target 95%</b>	<b>Target 95%</b>	<b>Target 95%</b>	<b>Target 95%</b>	<b>Target 95%</b>
<b>Q1</b>	91.45%	69.14%	*	203	99.66%	99.80%	100.00%	100.00%	100.00%
<b>Q2</b>									
<b>Q3</b>									
<b>Q4</b>									

\* unable to provide data until 8 weeks following quarter end

\*\* Pre-contraventions Interventions