

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

**21 MARCH 2013**

## **MONITORING REPORT DECEMBER TO FEBRUARY**

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

### **Summary**

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

### **2 Executive Summary**

- 2.1 This report gives a further overview of the position of the budget and the progression against the objectives shown in the Business Plan 2012/17. This following summarises the issues set out in detail later in the report: Building Regulation applications for the year remain approximately 11% lower than last year and the resultant income is currently around 4.5% lower than this time last year. However, given the additional income being generated through the consultancy and additional savings forecast in staffing and supplies and service we are still predicting a balanced budget at the end of year.
- 2.2 There have been fewer complex projects applied for this year and a reduction in the number of new dwellings this has had an impact on the number of SAP's, Sbem's and Code for Sustainable Homes applications through the consultancy. We have therefore focused on the internal market and in particular, the housing stock held by Gravesham and Medway. We are currently engaged on surveys for Energy Performance certificates for Gravesham and Decent Homes, scoping and stock condition surveys for Medway. In late February and through March we will also be carrying out fire risk assessments on the common areas of nearly 180 blocks of flats in Medway.

- 2.3 Discussions have been on going with Canterbury City Council regarding the potential of them considering joining the partnership as one of their options in a review of their building control service. Productive meetings have been held at senior officer level, with their consultant and at service manager level, all of which indicate advantages to the Partnership and Canterbury City Council.
- 2.4 Changes to the Building Regulations, and allied legislation were announced in December with the majority of changes being implemented on the 6<sup>th</sup> April 2013. The technical changes to the Approved documents will require in house training for staff and an internal seminar for local architects and partners. The most significant change that will impact on the Partnership is the removal of the need for statutory notices at different stages of construction and the implementation of service plans for each project. This will require the partnership to draw up a service plan indicating the stages of construction that will require notification and in conjunction with the Charges legislation 2010 this will determine the charge for the work.
- 2.5 Members are advised that the Business Plan has now been agreed at each Council's Cabinet. Included in the Plan are the financial arrangements for contributions over the next four years which have been agreed to be entered into each authorities Financial plan showing an overall reduction of 17% over the life of the plan.
- 2.6 In order to deliver the Business Plan objectives it is important that the enhancements to the IT system are available through 2013/14 and onward. A revised specification has been written with the assistance of Medway's IT, to incorporate the necessary features that will allow the delivery of those objectives in accordance with the action plan timescales. The specification and tender documents were offered out for quotes from three suppliers and evaluation of the tender bids will be completed by second week in March. Through March and April staff and colleagues will be working with the new supplier to ensure a smooth transition to the new product. This will require full testing through May and an implementation date of 1<sup>st</sup> June 2013.
- 2.7 Since 2008 the construction market has been shrinking. Whilst we have taken the opportunity to diversify into other fields through our consultancy work it is important that we maintain our excellent reputation in the Building regulation market. In order to maintain and improve our market share and to take advantage of the improvements that will come from our new IT offer with increased electronic submissions and increased use of the internet we are developing a new IT strategy which will be reported to Members under a separate report by December 2013.

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

- 3.1 Joint Committee met on 13 December 2012 and considered a number of reports including the Annual Audit and Inspection Letter, Business Plan and monitoring report up to November 2012.

- 3.2 The Business Plan 2012/17 had been refreshed to reflect the current situation with regard to the data and statistics supplied. The Plan was amended to address concerns raised by the Partnership's legal representatives at Gravesham regarding new EU Directive in respect of public services delivering products in direct competition with the private sector. There was also an alteration in respect of one of the objectives which was amended to reflect that alternative delivery models would be considered during the next four years. In this regard Swale Borough council have been asked to look at such alternatives and present a paper to Joint Committee considering different delivery models and their advantages and disadvantages to the Authorities and the Partnership. Discussions have been ongoing with senior officers, a consultant and the head of service at Canterbury City Council regarding their options appraisal for their building control service in line with the direction Members gave at Joint Committee.
- 3.3 The Business Plan has now progressed through each Council's Cabinet and has been approved so that the contributions element can now be included in their financial plan. Through March and April work will be underway with our new IT supplier to develop the system which will eventually deliver the objectives of mobile working, customer tracking of applications and self serve searches. There is a great deal of development needed together with data conversion, testing and training. All this needs to be carried out in tandem with continuing to deliver our first class services in both building control and the consultancy.
- 3.4 The number of building regulation applications remains around 11% lower than last year, and the income generated from these and commencements of new work is approximately 4.5% below the income at the end of February last year. Further savings have been made in the staffing budget and in supplies and services and together with additional income generated through the work for the housing sections in Gravesham and Medway as described in 3.5, we remain predicting a balanced budget at the end of year. Details of applications and fee income are shown in Appendix 1.
- 3.5 The Partnership has successfully been engaged to carry out surveys to produce Energy Performance Certificates for Council housing stock in Gravesham and Decent Homes, scoping and stock condition surveys for Medway Council. In addition to this work we are also carrying out 178 fire risk assessments in the communal areas of blocks of flats in Medway as we continue to develop the consultancy portfolio.

#### **4. Use of Resources Overview**

- 4.1 Given a reduction in the number of building regulation applications over the past six months we have been able to divert resources into the consultancy to meet the demand for the external market. Over the last three months we have also had the opportunity to expand the internal market by doing work for both Gravesham and Medway. This has coincided with the expected diminution of building control work around Christmas and the winter period. In order to ensure a fair distribution of workload, the operations manager has re-aligned the boundary between the East and West teams incorporating works attached to the Gillingham postcode to the East team. By making full use of the range of surveyors available we have been able to dedicate staff to this wide variety of work and still maintain cover to all services. In order to assist the operational staff we have provided additional duties to two of the Technical Assistant posts enabling them to carry out a monitoring role regarding unauthorised work, demolitions, dormant sites and work brought forward to check on progress. We are also continuing to train two other members of the Technical Administration Team to carry out SAP assessments.
- 4.2 The re-direction of surveyors into these various programmes has required a different approach to the duty officer arrangement. A member of the team, allocated the duty officer role, will respond to any enquiries that are made during the day so that an enquiry is dealt with within a number of hours and certainly by the end of the day. All calls are logged and their response time recorded.

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

- 5.1 In order to maintain high levels of delivery across all services there will be pressure on the target times indicated in the benchmarking statistics. Setting up appointments for the various surveys within the housing projects is extremely time consuming and often reliant on out of date information which has and will continue to impact heavily on the technical assistant targets for registration of plans, search enquiries, sending out completion certificates etc. On the surveyor's side, plan vetting times and clearance of conditions etc. is likely to be impacted on but targets that were re-aligned during the year will be achieved.
- 5.2 A lack of development in the new IT system would prevent a number of the objectives from the Business Plan being delivered..

#### **6 New Ways of Working and Value for Money**

- 6.1 Development of the new IT system will deliver a number of changes to the way services are delivered. There will be more customer self service, an easier route to make applications on line and a fundamental change to service delivery via mobile working. This will not only increase output per surveyor, increasing the number of site visits available during the day but

will also cut down travelling costs and, in time, accommodation costs as less office space will be required as surveyors will be able to input data onsite, at a satellite office or through home working.

- 6.2 A concerted effort to recover debt has resulted in a dramatic fall in the amount of 'aged' debt. This years figure is expected to be around £486.90 against an end of year figure last year of £7,238.25. A much more stringent process has been put in place to ensure debtors are pursued and the debt recovered.
- 6.3 Medway has introduced a new process to monitor outstanding debt and this will now require the Director to have delegated power from Joint Committee to sign off the Partnership's unrecoverable debt. Examples of when this may occur are when companies or individuals go into liquidation, receivership or bankruptcy.
- 6.4 Members are requested to approve writing off the amounts which have already been accounted for in the budget spend. Members are also requested to agree future write offs can be carried out under delegated powers, by the Director, provided they are agreed with the Finance Officer and contained within the provision within the budget.

## **7 Workforce Development**

- 7.1 PDR discussions have commenced with staff to align their training requirements for 2013/14 with the objectives and actions agreed through the business plan. The PDR process is on track for all discussions to have taken place and paperwork recorded by the end of March.
- 7.2 A number of seminars are being held through February and March on the changes to the Building Regulations. Most of the changes will occur on 6<sup>th</sup> April and there will be the opportunity to hold in house CPD seminars for staff and our customers in March and April.

## **8 Data Quality**

- 8.1 A management review meeting has been arranged for March to review procedures and processes described in the quality manual. Minor non-conformities identified during both internal and external audits will be examined and a programme of alterations discussed and agreed. Revised reports for covalent (Medway's performance management system) have been uploaded in February in preparation for monitoring the 2013/14 Business Plan objectives.

## **9 Benchmarking**

- 9.1 Details of the benchmarking statistics are shown in Appendix 3. As mentioned above resources from both the operation and technical administration teams have been diverted through the winter period to deliver the additional work in the consultancy and to concentrate on enforcement. This will inevitably have an affect on delivering the targets in

the benchmarking table. However in preparation for this the targets for plan vetting and and decisions was adjusted earlier in the year and reported to Joint committee. The targets for application processing will be relaxed in tandem with this but should show no detriment to customers' turnaround times. Where targets monitor services that generate an income, such as 'searches', they will remain a priority throughout this period.

## **10 Financial Implications**

- 10.1 The budget monitoring process has identified a balanced budget at the end of the financial year but this will be dependant on income generated through building regulation charges, and consultancy income meeting expectations.
- 10.2 Members are asked to agree the writing off of unrecoverable debt which is already provided for in this years budget.

## **11 Legal Implications**

- 11.1 Members are asked to agree the delegated power of writing off unrecoverable debt is given to the Director of STG provided the amount is covered in the budget's bad debt provision.

## **12 Risk Management**

- 12.1 There is always the possibility that income in March will be below expectation, in which case a call on additional contributions from each of the partner authorities would be required.

## **13 Recommendation**

- 13.1 Members are asked to note the contents of the report and agree the delegation for writing off unrecoverable debt, provided it is covered by the budgets bad debt provision.

## **14 Suggested Reason for Decision**

- 14.1 The Constitution requires Joint Committee to maintain a monitoring role on the progress of the Partnership and has the power to delegate certain responsibilities to the Director of the Partnership.

### **Lead officer contact**

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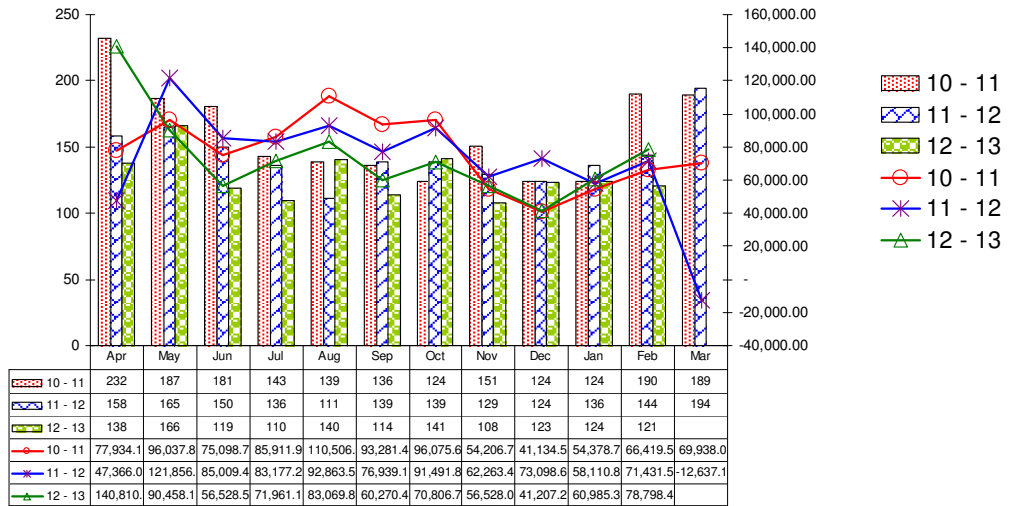
### **Background papers**

None

Appendix 1	Comparison on Income and Applications Received
Appendix 2	February Monitoring Report
Appendix 3	Benchmarking data

Comparison on Income and Applications Received

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





## Interim February Monitoring Statement for STG Building Control Partnership

Subjective	Subjective Description	Current Year Total Budget	Total Actuals and Commitments Year to Date	Manager's Forecast	Manager's Variance
048-00/000000	Admin Staff	1,065,590	941,017	1,025,677	(39,913)
071-00/000000	Prem Retire Added Lump Sum	0	0	0	0
080-02/000000	VDU/Eye Tests	0	0	0	0
080-08/000000	Medical Referrals	0	0	0	0
093-01/000000	Clothing Allowance	2,000	345	500	(1,500)
093-02/000000	Call Out Fees	9,819	10,659	12,000	2,181
095-00/000000	Employee Related Insurance	1,601	1,601	1,601	0
096-00/000000	Staff Training	7,000	1,749	2,000	(5,000)
096-00/700606	Staff Training STG Consultancy	7,000	2,245	2,500	(4,500)
<b>Subtotal for staffing</b>		<b>1,093,010</b>	<b>957,615</b>	<b>1,044,278</b>	<b>(48,732)</b>
110-00/000000	Repairs Maint Buildings Gen	3,500	0	3,500	0
122-00/000000	Electricity	5,500	0	5,500	0
123-00/000000	Gas	3,500	0	3,500	0
131-00/000000	Rents External	55,282	0	55,282	0
135-00/000000	Non Domestic Rates	25,000	0	22,000	(3,000)
141-00/000000	Water & Sewerage Charges	2,000	0	600	(1,400)
162-00/000000	Contract Cleaning	6,000	4,538	6,000	0
162-03/000000	Window Cleaning	700	0	600	(100)
162-05/000000	Trade Refuse	164	130	400	236
180-00/000000	Premises Security	0	0	0	0
185-00/000000	Premises Insurance	700	0	700	0
<b>Subtotal for premises</b>		<b>102,346</b>	<b>4,668</b>	<b>98,082</b>	<b>(4,264)</b>
216-00/000000	Vehicle Insurance	330	330	330	0
240-00/000000	Public Trans	500	386	500	0
241-00/000000	Park Fees	250	78	100	(150)
252-00/000000	Staff travel -Leased Mileage	9,000	5,349	7,000	(2,000)
253-00/000000	Casual User	500	56	250	(250)
254-00/000000	Essential User	38,000	32,886	36,000	(2,000)
<b>Subtotal for transport</b>		<b>48,580</b>	<b>39,084</b>	<b>44,180</b>	<b>(4,400)</b>
311-00/000000	Equip/Furn/Mats	1,500	164	164	(1,336)
311-04/000000	Equip Rental Leases Licences	5,900	2,211	2,500	(3,400)
311-05/000000	Equip Annual Maintenance	0	2,405	2,500	2,500
314-00/000000	Books/Pubs/News0	2,500	2,396	2,500	0
317-04/000000	Bottled Water Coolers	400	196	250	(150)
319-00/000000	Refreshments at Meetings	800	110	110	(690)
340-00/000000	Printing Stat & Gen Off Exps	0	168	180	180
340-01/000000	Printing	2,000	2,250	2,500	500
340-01/700606	ConsultancyPublic Protect	2,000	750	1,000	(1,000)
340-01/700607	Printing Public Protect	500	0	0	(500)
340-02/000000	Stationery	3,200	3,216	4,000	800
340-02/700606	Stationery STG Consultancy	1,500	55	200	(1,300)
340-02/700607	Stationery Public Protect	500	0	0	(500)
340-03/000000	General Office Expenses	500	51	51	(449)
340-07/000000	Microfilming	500	0	0	(500)
342-00/000000	External Audit Fees	2,712	0	2,712	0
352-10/000000	Agency Staff Security	1,400	807	1,200	(200)
353-00/000000	Consultants Fees	6,000	3,976	5,000	(1,000)
353-00/700602	Consultants Fees Non Chargeabl	0	2,292	3,000	3,000
353-00/700605	Consult Fees Part P Electri	1,000	5,460	10,000	9,000
353-00/700606	Consultant FeesSTG Consultancy	6,000	7,541	11,000	5,000
353-00/700607	Consultancy Public Protect	1,000	0	0	(1,000)
354-00/000000	Consultants - HR Approved	0	0	0	0

Subjective	Subjective Description	Current Year Total Budget	Total Actuals and Commitments Year to Date	Manager's Forecast	Manager's Variance
358-04/000000	Land Registry Fees	1,000	295	350	(650)
361-03/000000	Pager Mobile Phone	1,400	1,609	1,800	400
361-06/000000	Call Costs	130	86	130	0
361-07/000000	Line Rental	270	187	270	0
363-00/000000	Postage	7,000	6,693	7,000	0
363-00/700606	PostageSTG Consultancy	3,000	472	1,000	(2,000)
364-01/000000	Computer Hardware	2,000	1,373	1,373	(627)
364-02/000000	Computer Software	25,200	23,337	24,180	(1,020)
372-00/000000	Subsistence	2,000	201	201	(1,799)
379-00/000000	Subscriptions	7,000	7,096	8,000	1,000
379-00/700606	StationeryPublic Protect	2,000	190	250	(1,750)
391-01/000000	All Risks Insurance	1,030	1,030	1,030	0
391-02/000000	Officials Indemnity Insurance	500	0	500	0
392-00/000000	Publicity	7,500	226	226	(7,274)
392-00/700606	Publicity STG Consultancy	2,000	443	443	(1,557)
392-00/700607	Publicity Public Protect	500	148	148	(352)
393-00/000000	Miscellaneous Expenses	0	253	253	253
394-00/000000	Advertising	500	0	0	(500)
396-05/000000	Contribution to I.T. Reserves	2,000	0	2,000	0
398-03/000000	Contributions to Bad Debt Prov	0	0	0	0
<b>Subtotal for supplies and services</b>		<b>104,942</b>	<b>77,683</b>	<b>98,021</b>	<b>(6,921)</b>
330-33/000000	Fin Mgmt SLA	8,100	8,100	8,100	0
330-36/000000	Exchequer SLA	5,200	5,200	5,200	0
330-41/000000	HR SLA	3,416	3,416	3,416	0
330-42/000000	Org Dev SLA	2,534	2,534	2,534	0
330-43/000000	Adv & Cons SLA	954	954	954	0
330-44/000000	HR Ops SLA	742	742	742	0
330-46/000000	HR Resource SLA	962	962	962	0
330-47/000000	H&S SLA	1,002	1,002	1,002	0
330-48/000000	IT Comp SLA	25,200	25,200	25,200	0
330-53/000000	Legal SLA	10,100	0	10,100	0
<b>Subtotal for support services</b>		<b>58,210</b>	<b>48,110</b>	<b>58,210</b>	<b>0</b>
865-00/000000	Conts from OLAs	(351,772)	(351,772)	(351,772)	0
<b>Subtotal for grant / DOH income</b>		<b>(351,772)</b>	<b>(351,772)</b>	<b>(351,772)</b>	<b>0</b>
950-00/000000	Fees & Charges General	(4,500)	(6,179)	(6,500)	(2,000)
950-25/000000	Land Charges Fees	(25,000)	(10,635)	(26,000)	(1,000)
959-00/000000	Building Control Fees	(992,552)	(732,963)	(787,640)	204,912
959-00/700606	BldCtFeeConsultSTG Consultancy	(50,000)	(91,042)	(102,000)	(52,000)
959-05/000000	Bldg Ctrl Regularisation	(30,000)	(52,304)	(58,000)	(28,000)
959-11/000000	Bldg Cont Fees Part P	0	(5,367)	(5,367)	(5,367)
959-11/700605	BldCtFees PartPPPart P Electric	0	(5,073)	(5,073)	(5,073)
967-01/000000	Advertising Income	0	(352)	(352)	(352)
968-00/000000	Miscellaneous Receipts	0	(67)	(67)	(67)
<b>Subtotal for other income</b>		<b>(1,102,052)</b>	<b>(903,982)</b>	<b>(990,999)</b>	<b>111,053</b>
<b>TOTAL EXPENDITURE</b>		<b>1,407,088</b>	<b>1,127,160</b>	<b>1,342,771</b>	<b>(64,317)</b>
<b>TOTAL INCOME</b>		<b>(1,453,824)</b>	<b>(1,255,754)</b>	<b>(1,342,771)</b>	<b>111,053</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>(128,594)</b>	<b>0</b>	<b>46,736</b>

## Appendix 3

### Benchmarking Data

	% plans checked within 15 days	% plans checked within 10 days	% determined within 5 weeks /or 2 months	No. of PCI's (Pre-Contraventions Interventions)	% completion certificates sent within 5 days of completion	% Registration & Acknowledgement within 3 days	% LC Searches - Medway within 3 days	% LC Searches - Swale within 3 days	% HIPs (Building Information Searches) - within 10 working days
<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>Apr</b>	45.07	54.93	84.52	6	100.00	100.00	100.00	100.00	100.00
<b>May</b>	89.76	55.12	89.41	10	100.00	88.73	100.00	100.00	83.33
<b>Jun</b>	86.73	50.00	100.00	9	97.79	80.51	100.00	98.97	91.43
<b>Jul</b>	86.41	65.05	100.00	60	98.17	100.00	100.00	100.00	84.38
<b>Aug</b>	90.78	76.60	100.00	195	96.88	93.43	100.00	100.00	97.44
<b>Sep</b>	86.87	70.71	98.53	122	100.00	99.45	100.00	100.00	96.15
<b>Oct</b>	92.41	78.48	100.00	149	100.00	100.00	100.00	100.00	100.00
<b>Nov</b>	89.04	61.64	100.00	170	98.67	99.39	100.00	100.00	100.00
<b>Dec</b>	89.58	70.83	100.00	92	100.00	100.00	100.00	100.00	100.00
<b>Jan</b>	100.00	85.45	100.00	55	100.00	100.00	100.00	100.00	100.00
<b>Feb</b>	100.00	89.66	100.00	45	100.00	100.00	100.00	100.00	100.00
<b>Mar</b>	92.63	62.11	100.00	33	100.00	85.86	100.00	100.00	87.50
<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>Apr</b>	89.22	50.98	100.00	64	98.82	99.37	100.00	100.00	100.00
<b>May</b>	93.14	84.31	100.00	50	100.00	100.00	100.00	100.00	100.00
<b>Jun</b>	92.31	73.85	100.00	89	100.00	100.00	100.00	100.00	100.00
<b>Jul</b>	93.90	81.71	100.00	73	100.00	100.00	100.00	100.00	100.00
<b>Aug</b>	100.00	88.75	100.00	51	100.00	100.00	100.00	100.00	100.00
<b>Sep</b>	97.37	81.58	100.00	42	100.00	100.00	100.00	100.00	100.00
<b>Oct</b>	98.61	88.89	100.00	49	100.00	100.00	100.00	100.00	100.00
<b>Nov</b>	95.83	77.78	100.00	47	100.00	100.00	100.00	100.00	100.00
<b>Dec</b>	96.23	90.57	100.00	26	100.00	100.00	100.00	100.00	100.00
<b>Jan</b>	98.48	93.94	*	50	98.54	88.52	100.00	100.00	84.38
<b>Feb</b>	89.83	55.93	*	38	98.10	53.72	100.00	100.00	17.39
<b>Mar</b>									
<b>Cummulative</b>	94.99	78.94	100.00	52.64	99.59	94.69	100.00	100.00	91.07

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