

CABINET	
----------------	--

Meeting Date	3 February 2016
Report Title	South Thames Gateway Building Control Partnership – Business Plan 2016 - 19
Cabinet Member	Cllr Gerry Lewin, Cabinet Member for Planning
SMT Lead	Kathryn Carr
Head of Service	James Freeman
Lead Officer	James Freeman

Recommendations	The Draft South Thames Gateway Building Control Partnership Business Plan for 2016-19 be agreed.
------------------------	--

1. Purpose of Report and Executive Summary

- 1.1 The purpose of this report is to consider and make any comments on the draft South Thames Gateway Building Control Partnership Business Plan for 2016-2019 and to refer the comments to the Joint Committee.

2 Background

- 2.1 The South Thames Gateway Building Control Partnership (involving Medway, Gravesham and Swale) went live in October 2007. Under the terms of the Memorandum Agreement between the three partner authorities, a three year rolling business plan needs to be agreed.
- 2.2 Each partner authority must advise the Secretary to the Joint Committee whether it approves or rejects the revised draft business plan by no later than 10 days before the Annual Meeting of the Joint Committee in June each year
- 2.3 Whilst much of the Building Control Partnership operation is subject to competition from Approved Inspectors, the service retains statutory responsibilities regarding public protection e.g. dangerous structures, demolitions, unauthorised works and maintaining registers etc. The Council's contribution in effect pays for the non fee earning work and the income generated through the consultancy service reduces this contribution by a further £33,000 per annum.
- 2.4 Over the past year, the Building Control partnership has successfully
- maintained a balanced budget despite the difficult market competition and conditions;
 - Embed the new IT systems which encourages greater remote working on site and increased efficiencies; and
 - maintained high performance levels with excellent customer satisfaction ratings given the above and the increased difficulties in retaining and recruiting qualified staff.

- In moving to smaller premises the Partnership have reduced their premises costs by 30%. This being possible with the development of hot desking and remote working.

2.5 The success of the Partnership has been commented on and highlighted at two conferences this year, the Local Authority Building Control Conference and the Chartered Association of Building Engineers Conference. At the former the partnership was described as an excellent example of using skills and experience within the workforce to deliver complimentary services and generate additional income through a consultancy. At the latter, the back office IT supplier Tascomi described the use of effective mobile working to improve performance and customer service delivery.

3 Proposal

3.1 The next three years of the Business Plan covers the period 2016 to 2019 and will focus on:

- Further improvements to customer service utilising IT development and customer interaction;
- Increased opportunities for income generation protecting and capturing market share and further expansion of the partnership;
- The investigation and research into the viability of establishing a consultancy service with dedicated staff under a separate company.

3.2 In order to meet the requirements of each authority's reducing budgets, Swale's contribution to the shared service will fall from the current £78,381 to £68,653 by 2018/19. This represents a 12.4% saving over the business plan period based on a 1% increase annually in salary costs and a 2% annual increase in overall income generation. These savings will mainly arise from:

- Reduced annual premises costs following the move to Ford house by 30%;
- Maintaining support service costs year on year without increase.

Details of the financial plan 2016-19 are included in Appendix I.

3.3 The next phase of the partnership will not only consolidate the successes of the past five years but continue the expansion of services, staff development and improved customer service which the investment of the three partners has allowed for.

3.4 An improved marketing strategy will be developed to retain market share and this will be carried forward in tandem with the proposal to establish a viable consultancy arm of the business which may help to deliver further savings to the partner authorities over and above those currently identified. This review is currently taking place and is due to report back in the early Spring 2016 and will involve investigating other alternative forms of provision. Any decisions to move forward with the consultancy business would require a revision to the

Business Plan either through the annual review or earlier depending on time frames agreed for implementation.

4 Alternative Options

- 4.1 The Cabinet needs to advise the secretary to the Joint Committee whether it approves without amendment or approves with further proposed modifications to the Business Plan to be agreed with partner authorities or rejects the revised draft business plan.

5 Consultation Undertaken or Proposed

- 5.1 The Business Plan has been considered by the Joint Authorities Committee overseeing the operation of the Building Control partnership. This has involved the Cabinet Member for Planning throughout the process.
- 5.2 Once the initial representations are received from each of the authorities, the Business Plan will be finalised and submitted to each of the Authorities for formal approval by their respective Cabinets.

6 Implications

Issue	Implications															
Corporate Plan	The new Partnership has built resilience into the service that supports the Council's aim to be open for business															
Financial, Resource and Property	<p>Appendix I sets out the details of the financial plan accompanying the Business Plan.</p> <p>It is proposed to reduce total partner contributions over the three year plan by £9,728 (12.4%).</p> <p>The contributions for Swale BC are as follows:</p> <table border="1" data-bbox="496 1391 1453 1749"> <thead> <tr> <th data-bbox="496 1391 815 1536">Year</th> <th data-bbox="815 1391 1134 1536">Contribution £'s</th> <th data-bbox="1134 1391 1453 1536">Reduction for previous year £'s</th> </tr> </thead> <tbody> <tr> <td data-bbox="496 1536 815 1588">2015/16</td> <td data-bbox="815 1536 1134 1588">78,381</td> <td data-bbox="1134 1536 1453 1588"></td> </tr> <tr> <td data-bbox="496 1588 815 1639">2016/17</td> <td data-bbox="815 1588 1134 1639">75,080</td> <td data-bbox="1134 1588 1453 1639">3,301</td> </tr> <tr> <td data-bbox="496 1639 815 1691">2017/18</td> <td data-bbox="815 1639 1134 1691">72,050</td> <td data-bbox="1134 1639 1453 1691">3,030</td> </tr> <tr> <td data-bbox="496 1691 815 1749">2018/19</td> <td data-bbox="815 1691 1134 1749">68,653</td> <td data-bbox="1134 1691 1453 1749">3,397</td> </tr> </tbody> </table> <p>At Swale, the medium term Financial Plan will accommodate the proposed contributions as stated above.</p>	Year	Contribution £'s	Reduction for previous year £'s	2015/16	78,381		2016/17	75,080	3,301	2017/18	72,050	3,030	2018/19	68,653	3,397
Year	Contribution £'s	Reduction for previous year £'s														
2015/16	78,381															
2016/17	75,080	3,301														
2017/18	72,050	3,030														
2018/19	68,653	3,397														
Legal and Statutory	The partnership and Joint Committee operate under a memorandum of agreement signed by each of the partner authorities.															

Crime and Disorder	Effective control and enforcement of building standards and dealing with dangerous structures is consistent with an increased perception of security and wellbeing.
Risk Management and Health and Safety	This is detailed in Section Three of the Service Delivery Documentation, focussing on the slow recovery in the economic situation and an inability to sustain growth, as well as a lack of investment in staff development and IT solutions.
Health and Well Being	None identified at this stage.
Equality and Diversity	None identified at this stage.
Sustainability	None identified at this stage.

7 Appendices

7.1 The following documents are to be published with this report and form part of the report:

Appendix I: South Thames Gateway Building Control Partnership – Business Plan 2016-19.

Appendix II: South Thames Gateway Building Control Partnership – Service Delivery Plan 2016-19.

8 Background Papers

8.1 None



Building Control Partnership Business Plan 2016-2019



Director
Version No.
Last updated

Tony Van Veghel
4
18 December 2015

This page has been left blank intentionally

C O N T E N T S

1	Executive summary	1
2	Financial Plan	3
3	Partnership Overview	5
4	Partnership Strategy	9
5	Business Environment	11

1. Executive Summary

- 1.1. The next three year Business Plan incorporates important changes to the partnerships structure to reflect a changing market and greater customer expectations.
- 1.2. The legislation which governs the processes and time frames for local authority building control is 30 years old and reflects the legislation dating back to the Public Health Acts of the 20th Century. Today's customers live in a world of immediacy and instant response. They correspond over the internet, not by post, and expect replies and responses the same way. They expect to pay for services by debit and credit cards at the time of transaction and expect a high degree of accountability and transparency. They also have choice.
- 1.3. That is why the partnership has been, and will continue to develop its services to match this changing environment and why structural change is needed in the future. We need to move to a model which reflects our three areas of activity:
 - Building regulations
 - Public protection and information
 - Consultancy services

Each needs to be resourced and that will require a development of three teams:

- Building regulation team which will need to develop resources to deliver plan vetting and site inspections with dedicated personnel so as to meet customer expectation on speed of response and consistency.
 - Public protection team which will focus on ensuring a safe environment throughout the STG area identifying unauthorised works, dangerous structures and demolitions. They would ensure remedial work is undertaken, where required, and unsafe practices or structures are dealt with to protect the public as well as backing the building regulation team where enforcement is required.
 - Consultancy services which will be delivered through a Local Authority Company operating under STG as the holding company. They would deliver complementary services to the building regulation service reflecting what is available in the competitive market and would provide a comprehensive surveying service to the social housing sector.
- 1.4. Our three objectives will continue to be:
 - Further improvements to customer service utilising IT development and customer interaction.
 - Increase income generation by increasing market share and further expansion of the partnership.

- Development of consultancy services with dedicated staff under a separate company.
- 1.5. IT development and improvement is essential in ensuring we meet these three objectives. It is not only key to allowing greater self-service and customer interaction, but will also ensure a faster and more comprehensive plan vetting and site inspection service.
 - 1.6. Our processes and procedures will be audited and amended in-line with our quality assurance certification to ensure they are both simplified and reduced to reflect the advances in technology.
 - 1.7. By freeing up more time through the intelligent use of IT, resource will be made available for improving marketing and account management so as to implement a strategy to sustain our market share.
 - 1.8. With the development of the consultancy as a separate company, specialist staff can be recruited for specific time related projects. The range of services can be extended and surpluses that are generated can be reinvested or used to reduce future partner contributions.
 - 1.9. The building control industry has changed considerably over the last five years. There are now many more Approved Inspectors and their activity, particularly in London and the SouthEast has become more prolific. Competition in the market place is now greater than ever placing us back in the position of competing for work and staff.
 - 1.10. The partnership needs to continue to develop its use of technology to provide an improved and speedier service for its customers. It needs to meet and exceed customer expectation and be able to deliver many of its processes through automated service. Therefore, through 2016/17 we will review and simplify our processes and procedures and automate where possible.
 - 1.11. We need to provide a robust and dedicated public protection service with a greater emphasis on enforcement, protecting clients and customers within our area and utilising contributions funding.
 - 1.12. We also need to expand our range of services through the consultancy as a Local Authority Company allowing for staff to be engaged as necessary and delivering the consultancy as a commercially viable company capable of operating as a separate entity and supporting the partnership through the generation of a surplus.

2. Financial Plan

2.1. Members have requested that the format of the Business Plan changes to a three year rolling programme. This will take the forecast beyond the end of the current second term which finishes in September 2017. However, Members have endorsed the progression of the partnership beyond that period and the new arrangement will allow for the agreed contributions, approved through the Business Plan, to feed into each authority's medium-term financial plan.

2.2. The financial plan in figure 1, takes into account the following pressures:

- an increase in salary costs of 1% per annum
- an average 2% annual increase in overall income generation

and allows for the following savings:

- reduced annual premises costs following our move
- continued reductions in support service costs against previous years.

2.3. Overall this has allowed for a further 1% reduction in partner contributions between 2015/16 and 2016/17. Over the past 5 years, therefore, total contributions from the partner authorities have reduced by nearly £74,000 (2012 – 2017).

2.4. In this highly competitive market the risk still remains that additional pressures will be put upon the partnership during times of low resources (holidays, sickness etc). With the lack of availability of building control staff there is only the expensive alternative of using agency staff. As this phenomenon affects all building control bodies, and in particular local authorities who have already lost staff to the private sector, inspection regimes across the country are having to be rewritten to take account of the resource crisis.

2.5. The continued development of the IT system and remote working is extremely important in the operation and functionality of alternative and complementary inspection services more reliant on on-site delivery and customer interaction.

2.6. The development of the consultancy as described under objective 3 of the Delivery Plan is continuing with its transition to a Local Authority Company. Enabling a range of services at competitive prices and having the opportunity to deliver a surplus of which can be used to reduce partner contributions in the future. A separate business case will be presented to Joint Committee and into each authorities Cabinet, as required by the Constitution to demonstrate the viability of such a transformation and how the creation of this commercial venture will strengthen and build the financial resilience within the partnership.

**Three year Budget Build and Contribution Calculation For 2016/2017 - 2018/2019
(including comparative 2015/2016 budget) for Three Authority Partnership**

	<u>2015/16</u> <u>Budget</u>	<u>2016/17</u> <u>Budget</u>	<u>2017/18</u> <u>Budget</u>	<u>2018/19</u> <u>Budget</u>
Staffing	1,128,751	1,139,751	1,150,861	1,162,082
Premises	46,300	46,300	46,300	46,300
Transport	42,350	42,350	42,350	42,350
Supplies and Services	108,970	105,970	108,970	108,970
Support Services	52,910	52,910	52,910	52,910
Total Cost:	1,379,281	1,387,281	1,401,391	1,412,612
Contributions	-290,300	-278,076	-266,853	-254,270
Income	-1,088,981	-1,107,822	-1,134,538	-1,158,342
Total Income	-1,379,281	-1,387,281	-1,401,391	-1,412,612
Chargeable 79%	-1,088,981			
Non-Chargeable 21%	-290,300			
	-1,379,281	0	0	0
Chargeable 80%		-1,107,822		
Non-Chargeable 20%		-278,076		
	0	-1,387,281	0	0
Chargeable 81%			-1,134,538	
Non-Chargeable 19%			-266,853	
	0	0	-1,401,391	
Chargeable 82%				-1,158,342
Non-Chargeable 18%				-254,270
	0	0	0	-1,412,612
Authority and Agreed Percentage	<u>2015/16</u> <u>Budget</u>	<u>2016/17</u> <u>Budget</u>	<u>2017/18</u> <u>Budget</u>	<u>2018/19</u> <u>Budget</u>
Gravesham - 20%	58,060	55,616	53,371	50,854
Swale - 27%	78,381	75,080	72,050	68,653
Medway - 53%	153,859	147,380	141,432	134,763
	290,300	278,076	266,853	254,270

[Figure 1]

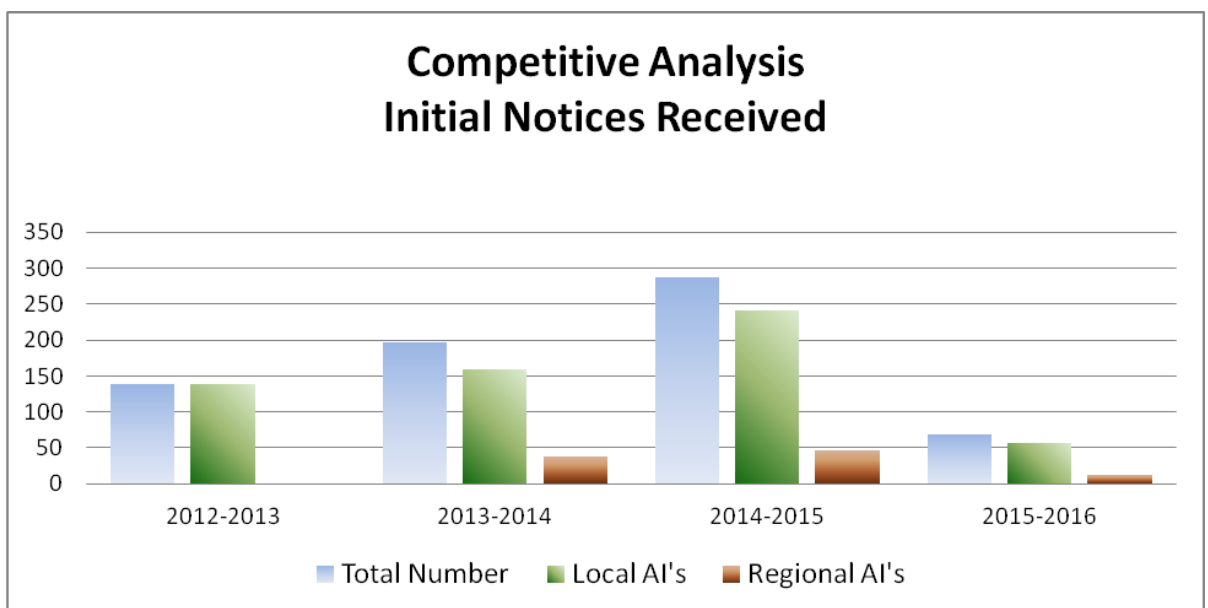
3. PARTNERSHIP OVERVIEW

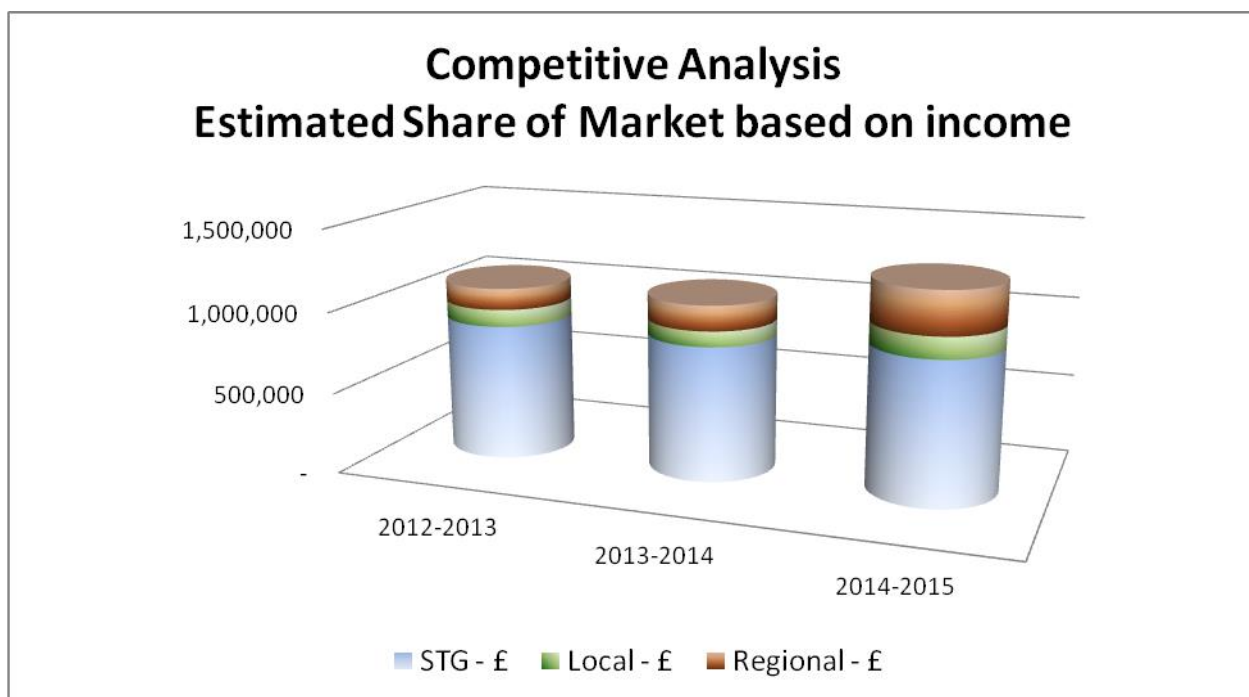
3.1. The partnership has three income streams:

- building regulation applications
- partner contributions
- consultancy services

Building Regulation Applications

3.2. The building regulation service is in direct competition with the private sector. Over the last three years there has been a major change in the work that approved inspectors undertake away from majorly commercial/residential developments towards the domestic market, including some quite minor works. There is now widespread competition for domestic extensions, loft conversions and conversions to dwellings, work which was traditionally carried out by the Local Authority. Over this period numbers of initial notices deposited with us have doubled to 34%. Changes in legislation two years ago, allowed for Approved Inspectors to sign initial notice applications on their client's behalf and this has had a significant impact on the number of applications we are receiving.





	<u>STG - £</u>	<u>Local - £</u>	<u>Regional - £</u>	<u>Total - £</u>
2012-2013	844,041	106,600	131,462	1,082,103
2013-2014	832,110	94,350	154,202	1,080,662
2014-2015	877,666	131,358	262,956	1,271,980

- 3.3. It is extremely difficult assessing market share lost to approved inspectors. There is no information available on the fees generated from the initial notices and with the market so competitive, we know that quotes for work are now often 50%-60% less than what would have been charged three years ago.
- 3.4. Also we often have a number of initial notices deposited for one site, each of these has to be registered but only one will win the contract to supervise the site so the other two have eventually to be cancelled. Since 2010 we have had 113 initial notices cancelled or withdrawn. We also receive initial notices for speculative building, shortly after they have received planning permission and again these are registered and may only be cancelled some two or three years later when the development does not go ahead.
- 3.5. The above chart show the estimated value of the initial notices over the last three years based on the percentages of registered initial notices against building regulation applications lodged with STG.
- 3.6. The partnership has itself lost staff to approved inspectors, which in turn has taken some local clients from us, however most have remained loyal and we have been able to increase our partner architects to forty seven in 2015/16. Part of our marketing strategy through the next year will be the development of account

management so as to ensure a continued improved service to our partners which will enable their retention in the busy market place. Feedback from our clients indicates the priorities in the service they receive as:

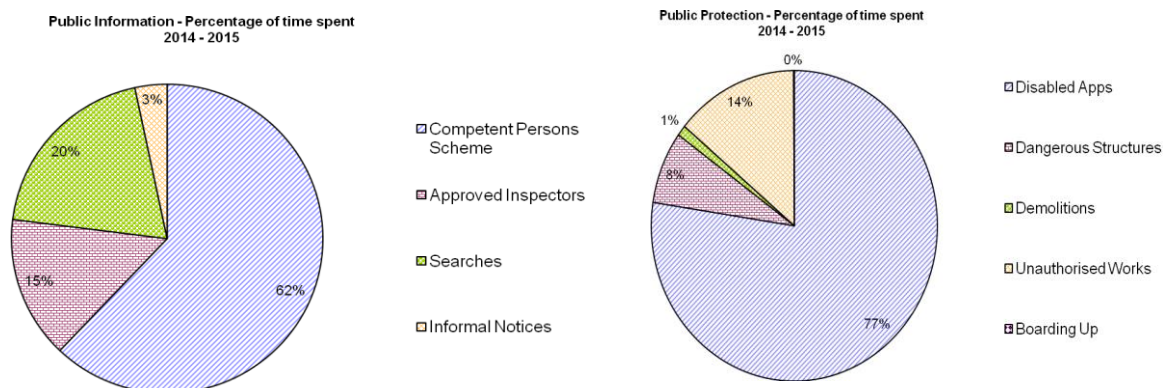
- speed of response
- consistency of approach
- availability of advice
- competitive cost

3.7. The investment in IT will allow for improvements in response times to our clients through a number of different mediums without the reliance of being in the office or viewing paper files. Processes will be refined so as to simplify procedures and remove bureaucracy allowing for a more straightforward consistent approach in dealing with applications. The additional availability of online and paper-based publications and advice will clarify complex building regulation matters which will augment the successful duty surveyor arrangement already in place.

Partner Contributions (Public Protection and Information Service)

3.8. The Partner contributions pay for much of the partnership’s work in this area. Work that is often designated as a duty or responsibility on the local authority such as: disabled persons applications, dangerous structures, demolitions, unauthorised work, enforcement and the administration of Approved Inspector legislation.

3.9. The charts below show comparisons of the time spent on these non-chargeable works through both public protection and public information for 2014/15.



3.10. The time spent on dealing with disabled persons applications can be very expensive for the partnership in particular when dealing with minor works such as installations of wet rooms and walk in showers. As the charges legislation brought in an exemption for carers accommodation it is now possible to deal with both an extension for the benefit of the disabled person and a loft conversion for the benefit of the carer, for which no charge is received and which has to be paid for out of the partner contributions.

3.11. Another duty of the local authority which is extremely time consuming and can be expensive is carrying out inspections on dangerous structures and monitoring these situations. It can take a long time trying to establish ownership and where there is no proof of ownership, it is often reliant on the local authority to take action and resolve any dangerous issues. The constitution designates the authority in which the dangerous structure exists, is liable for the cost of any remedial or repair work to be carried out in emergency situations, however, even when an owner can be traced these structures are normally uninsured and again the cost of work is borne by the local authority and placed as a charge on the property for recovery at some later date. With maintenance budgets cut it is no surprise that the number and magnitude of these dangerous structures is escalating throughout the STG area placing a burden on both the partnership and the relevant local authority.

Consultancy

3.12. The consultancy delivers additional discretionary services which either complement the building control service and assist us in being competitive with the private sector or provide services to other parts of the authority requiring a building surveying skill. In this way we currently deliver energy, fire risk and code for sustainable home assessment together with SAP and Sbem calculations. The partnership also provides a clerk of works service overseeing decent homes and stock condition surveys for social housing stock.

3.13. The development of the consultancy into a Local Authority Company is one of the objectives of the Business Plan and will be taken forward over the next year so as to deliver a commercial arm to the partnership which will enable further growth.

4. Partnership Strategy

- 4.1. In order to continue to adapt to a changing market and changing demand we need to focus on customer outcomes. We need to move away from any local authority bureaucracy and ensure we make our processes and procedures as streamlined as possible simplifying them to remove barriers and make customers interaction as easy as possible.
- 4.2. We will be continuing work on our website to make it clean and easier to use, allowing for applications and payment to be made online, with the facility for online booking of inspections, reporting dangerous structures and unauthorised works etc. Continuing our development of online tracking of applications and integrating a search facility so as to determine if building regulation work has been approved at a property before purchasing. In doing this work on line we will reduce the impact on the technical administration staff allowing them more time to be spent on building control marketing and advertising of our services.
- 4.3. The development of our consultancy services needs to complement this marketing strategy. Whilst we need to improve the account management of existing customers we also need to capture new clients from the market and some of this will be achieved by offering efficient and timely complementary services which will compete with the private sector. This could include the greater use of building warranties through local authority building control, the umbrella organisation which assists all local authorities in developing a building control service to compete in the marketplace.
- 4.4. The delivery of consultancy services through a local authority company would allow us greater freedom of engaging resources as and when they were needed. It will also allow us to build in resilience into our social housing team so as to deliver the service level agreements already in place and market the services to increase demand over the next few years.
- 4.5. With the consultancy operating as an arms length organisation we would be able to generate a surplus which could be reinvested both in the consultancy and in the wider partnership as a whole. It would also provide a mechanism to generate sufficient income to help reduce partner contributions in future years.
- 4.6. Whilst we have focused on building regulation and consultancy arms of the partnership we must not forget the very important role played in public protection. This encompasses all the statutory duties that a local authority has to undertake and through which the partners pay their contributions.
- 4.7. In the same way we move to incorporate dedicated staff members to the other functions we need to deliver public protection services in much the same way the slight difference here is a need to be quickly responsive to requests be they dangerous structures, unauthorised works and demolitions etc. Some of these functions require an immediate response which is best delivered by the area surveyor in the locality but which could be later addressed through an enforcement officer .

- 4.8. An enforcement officer would be able to deliver a more consistent approach in addressing these difficult issues. With changes to the penalties that can now be handed down by the magistrate, there would be a greater possibility of taking action against any authorised works and consequently there would be a greater success in both prosecutions and the pursuance of remedial works. There would also be a greater opportunity in converting any unauthorised work into regularisation applications, which would then assist generating additional income into the partnership.
- 4.9. Any restructuring of the partnership's make up will depend heavily on the availability of staff. Replacing personnel that will be retiring and consulting with staff to ensure the most effective use of existing skills and expertise. It will also depend on the economic situation and the recovery of the construction industry.
- 4.10. The delivery plan will contain options where a number of actions can be put in place to accommodate possible changes in this strategy so as to reflect circumstances at the time. A full evaluation will take place on a move to functional teams in 2016/17, taking account of the number of resources and skills available.
- 4.11. During 2015/16 we began the transition from checking paper-based plans to those deposited electronically. This transition will continue taking on board the time to train existing staff and also the investment in both hardware and software to enable plan checking on line. Sufficient large screen monitors have been provided on each desk to enable viewing of plans, however, through 2016/17 we need to consider whether these need to be provided in surveyors homes so as to facilitate the checking of applications without travelling to the office. This would also allow for the preparation prior to site visits which is traditionally via paper-based plans within the office.

5. Business Environment

- 5.1. The market has dramatically changed over the last three to four years. The expected recovery and boom in the construction industry did not arrive. Despite the promised increase in housing development and the pressure on inward investment, major developments have not come forward as expected. The Planning departments of all three of our Partner authorities have seen significant increases in speculative planning applications but a large number of these do not progress to the construction site.
- 5.2. Over this time, with the market reduced there was a shift in emphasis by the Approved Inspectors to move from residential , commercial and industrial work into the domestic market. As their involvement grew so did their need for resources to deliver the service and over the last two years there has been a migration of qualified staff from the public to the private sector. As there has been little encouragement throughout the industry to train new staff, a greater number of gaps in both public and private sector building control bodies are being temporarily filled with agency staff. This is unsustainable and as remuneration packages are lower in the public sector our concern will be succession planning for a number of retirements over the next few years. We will continue our strategy of engaging degree qualified engineers from other sectors of the industry to develop into building control surveyors.
- 5.3. There are now over 90 approved inspectors on the Construction Industry Council's register, featuring both large corporate companies and smaller groups including some individual independents. Of these, four of the large corporate companies have been active in our area over the last 2 years, operating in both the commercial and residential areas. There are also nine smaller groups dealing with small residential, retail and commercial work together with a focus on domestic applications.
- 5.4. Competition for both work and staff has intensified over the last 3 years and with no discernible training being undertaken within the industry the future of building control in general will be looking to do more with less resource.
- 5.5. The outfall of the housing standards review will require all building control bodies to take on additional work and to liaise to a much greater extent with the relevant planning authority. As the complexity of work increases and resources decrease, new working arrangements will have to be implemented to address the issues within the partnership.
- 5.6. The increased competition in the area has restricted opportunities to increase charges and they have remained the same over the last 5 years. The current charges legislation allows some flexibility in the recovery of costs for both building regulation applications and in the design of a site inspection framework for each job. These will be examined over the next year to determine the level of service which will fulfil the needs of the building act and provide owners with a level of service commensurate with the cost.

- 5.7. The customer expectation has also changed greatly over the last few years. There is an expectation to carry out most of their transactions on line and full details to be sent to them via email to their computers or smart phones.
- 5.8. The inspection of work on site remains the most effective way of ensuring compliance with the building regulations. However the competitive nature of fees that can be charged and the diminishing number of surveyors will mean that our inspection regime will have to be change. It is no longer viable either economically or practically to try and deliver site visits on demand.
- 5.9. Over the next year we will need to risk assess sites to a much greater degree. We may need to deliver less numbers of site visits than is currently the situation but each visit needs to be more comprehensive, with greater records of what has and has not been seen and agreed, greater detail of pre-contravention interventions and the advice that has been given to both builders and owners to obviate potential future problems. More expansive literature needs to be produced for both the builder and the home owner so as to clearly indicate best building practice and to avoid issues which may be prevalent in that particular type of build, e.g. the wrong type of tile for the required pitch of the roof or ensuring the right type of insulation is used in a cavity wall and it is correctly positioned.
- 5.10. Where additional inspections are required because of poor building practice or a lack of experience or expertise, enforcement issues may arise and further inspections will have to be paid for with additional payments and an explanation of why they need to be carried out. Provision for this has been included in the charges legislation. Where enforcement is required this would need to be paid for from the partner contributions and recorded as such. In order to facilitate this shift in delivery we need to realign our resources and continue with the training and development of functional teams, discussed in the previous business plan. This will entail the delivery of the building control function through three teams comprising; plan checking, site inspection and enforcement. Within the first two of these there may be the opportunity to introduce domestic and commercial teams so that those most senior surveyors can deal quickly and comprehensively with larger and more complex schemes allowing for the opportunity to market the expertise to a wider audience. Any further expansion of the partnership which would include new resources would be beneficial to move to this operating system.
- 5.11. One of the major concerns across the industry is consistency. By developing plans checking and site inspection teams we would more easily address this issue. The regulations themselves are based around functional requirements and only ask for 'reasonable' standards. How that standard is achieved remains negotiable between the architect and building control surveyor as following the approved documents is only one way of demonstrating compliance. By focusing on functional teams, processes and procedures can be put in place to achieve a consistent approach without compromising individual integrity and the flexibility introduced by the regulations.



Building Control Partnership Delivery Plan



Director
Version No.
Last updated

Tony Van Veghel
4
18 December 2015

This page has been left blank intentionally

C O N T E N T S

1	Delivery plan	4
2	Contribution and support for councils priorities	10
3	Service Risks	17

1. SERVICE DELIVERY PLAN – 2016-2017

1 Objective		Improve customer service utilising IT development and increased customer interactions				
Action	Output	Impact	Resources	Milestones/P.I.s	Lead Officer	
1.1 Development of on-screen plan vetting	In-house training to all surveyors	Increased plan checking within performance targets and reduced costs	Within current budget	June 2016	Plan vetting / inspection manager	
	Provision of home-based large screen monitors	Increased plan checking	Within current budget	September 2016	Plan vetting / inspection manager	
	Monthly and 3 monthly review of use and output		Within current budget	July to September 2016 monthly then 3 monthly	Plan vetting / inspection manager	
1.2 Increase the number of site inspections per surveyor	Number of inspections per surveyor increased by 20%	Achieving new target time per visit	Within current budget	Quarterly review	Plan vetting / inspection manager	
1.3 Achieving national performance indicator for plan vetting	85% plan vets within 10 working days, 100% within 15% working days	Improved turnaround time for plan vetting	Within current budget	Quarterly review, monitoring report and covalent	Phil Harris	
1.4 Improve consistency to plan vetting and site inspection with the development of function	Restructuring group to accommodate functional teams	Change in working practices for surveyors	Within current budget	July 2016	Tony Van Veghel	

1 Objective		Improve customer service utilising IT development and increased customer interactions			
Action	Output	Impact	Resources	Milestones/P.I.s	Lead Officer
based teams					
	Appointing dedicated team leaders to oversee consistency and quality checks	Improve consistency	Within current budget	June 2016	Tony Van Veghel / Phil Harris
	Monitoring consistency and provide training where required	Improved consistency for both plan vetting and site inspection records	Within current budget	Monthly monitoring until March 2017	Phil Harris
1.5 Increase enforcement action and monitoring	Appointment of dedicated team through restructuring of group	Change in working practices for surveyors	Within current budget	July 2016	Tony Van Veghel
1.6 Tracking of applications via website and refine self-serve search facility	Identify funding to develop new website	Web capable of delivering customer tracking	To be investigated	End April 2016	Janine Boughton
	Development of website		To be investigated	October 2016	Janine Boughton
	Testing of enabling customer viewing of current stage of application	24 hour access for customers to view stage of application	Within current budget	March 2017	Janine Boughton
	Online payment through website for new	24 hour access for customers to	To be investigated	December 2016	Janine Boughton

1 Objective		Improve customer service utilising IT development and increased customer interactions			
Action	Output	Impact	Resources	Milestones/P.I.s	Lead Officer
	application and invoices	make payments			
1.7 Improved communication with customers	Automated notification of inspection on booking	Confirmation of site booking to customer	To be investigated	End April 2016	Janine Boughton
	Greater use of email communication to customers	Faster and immediate notification	Within current budget	June 2016	Janine Boughton / Phil Harris
	Notification to customers prior to visit by surveyor	Confirmation of time of visit to customer	Within current telephone budget	August 2016	Plan vetting / inspection manager

2 Objective		Increase income generation by increasing market share and further expansion of partnership			
Action	Output	Impact	Resources	Milestones/P.I.s	Lead Officer
2.1 Establish any further expansion opportunities	Increase resource to partnership to retain and improve resilience	Wider opportunities to generate income	Within agreed budget	September 2016	Tony Van Veghel
2.2 Develop account management	Greater frequency in engaging with partners	Retention of partners and market share	Within current budget	Quarterly	Phil Harris
2.3 Develop marketing strategy for 2017/2018	Strategy incorporating restructured building control and new commercial consultancy	Sustain market share and generate additional income	Within current budget	September 2016 to March 2017	Janine Boughton / Tony Van Veghel
2.4 Provision of additional complementary services	Identify additional services and resources which can be delivered to the public and private sector	Expand consultancy services and generate additional income	Within current budget / self-financing	June 2016	Tony Van Veghel / Phil Harris
	Market additional services		Within current budget / self-financing	July 2016 to September 2016	Tony Van Veghel / Phil Harris
	Monitor and review consultancy	Determine performance and income	Within current budget	November 2016	Tony Van Veghel / Phil Harris

3 Objective		Development of consultancy services with dedicated staff under separate company			
Action	Output	Impact	Resources	Milestones/P.I.s	Lead Officer
3.1 Investigate / Setting up separate company	Engage with consultants on delivery model business case	Report to be taken to Joint Committee	To be investigated	August 2016	Tony Van Veghel
	Appoint appropriate qualified and dedicated staff	Focus delivery model to customers	Invest to save / self-financial	October 2016	Tony Van Veghel / Consultancy Manager
	Increase services to a wider market (regionally and nationally)	Wider opportunities to generate income	Self-financing / return on investment	March 2017	Consultancy Manager
3.2 Determine the distribution of surpluses	Working group set up to reach agreement on the percentage split of any commercial surplus	Agreed mechanism and time period for repaying original setup costs	Within Partner Authority budget for officer time	September 2016	Joint Committee Members, Steering Group Officers, Financial Officers, Legal Officers

2. CONTRIBUTION AND SUPPORT FOR COUNCILS PRIORITIES

2.1. As STG is a Partnership of three authorities, it is important that its values reflect those of the three councils. The three partner authority priorities are:

Gravesham's priorities are:

- Safer Gravesham - 'where local residents and visitors can live, work and travel in a safe, clean and green borough'
- Stronger Gravesham - 'a healthier more cohesive community where children have the best start in life and people are proud to call home'
- Sustainable Gravesham - 'a thriving and sustainable local economy, built on the foundations of high quality regeneration and development projects'
- Sound and Self-Sufficient Council - 'a well-run and innovative council supporting its staff to realise commercial opportunities whilst transforming its services to deliver at the best possible value for money'

Medway's priorities for the next three years are:

- Safe, Clean and Green Medway
- Children and young people have the best start in Medway
- Adults maintain their independence and live healthy lives
- Everyone benefitting from regeneration

Medway Values

- Putting the customer at the centre of everything we do
- Giving value for money

Swale's priorities are:

- A borough to be proud of
- A community to be proud of
- A council to be proud of

2.2. There are clear links between the three and all revolve around regeneration and sustainability, maximising opportunities for local communities and delivering quality services. These are also encompassed in the values of putting the customer at the heart of everything we do and giving value for money.

Regeneration

Linked to Council Priorities:

- Sustainable Gravesham - 'a thriving and sustainable local economy, built on the foundations of high quality regeneration and development projects' - Gravesham priority
- Everyone benefitting from regeneration – Medway priority
- A council to be proud of – Swale priority

2.3. Our consultancy is now able to offer a range of services to the major regeneration projects in the area. Early intervention in the design process will eliminate issues that could provide conflicts with legislation at a later date. Our range of services include:

Code for sustainable home assessment, SAP calculations, SBEM calculations, Display Energy Certificates, Access Audits and Fire Risk Assessments.

We have also teamed up with colleagues LABC Services, the commercial arm of LABC, through whom we are able to offer air pressure testing, acoustic testing and have access to CDM co-ordinators together with other expertise and specialism's which we are now able to facilitate.

- 2.4. We work with colleagues in Private Sector Housing and Environmental Health to aid the transformation of areas through social regeneration, providing advice on bringing back into use empty and dilapidated properties, giving advice on houses in multiple occupation and the refurbishment and repair of commercial premises. We have a number of joint meetings with Registered Social Landlords (RSL's) and have shared technical updates through the seminars we have organised.
- 2.5. We offer the design and surveying team expertise in the design of many adaptations to Medway's schools, and have partnered with a number of architectural practices that are working through programmes of school extensions and adaptations. We work with Medway Education and Business Partnership to assist in work experience for school leavers.

Links to STG Delivery Plan Reference:

- Objective 3 (see page 8)

Sustainability

Linked to Council Priorities:

- Sustainable Gravesham - 'a thriving and sustainable local economy, built on the foundations of high quality regeneration and development projects' – Gravesham priority
- Safer Gravesham - 'where local residents and visitors can live, work and travel in a safe, clean and green borough' - Gravesham priority
- A clean and green environment – Medway priority
- A borough to be proud of – Swale priority

2.6. Building Control has a major part to play in ensuring the innovative designs for the regeneration of the area are still compliant with the Building Regulations. As sustainability is an important part of the Government's agenda to reduce CO2 emissions and reduce energy costs for everyone, the adaptation and renovation of buildings within the area, together with control of new buildings will ensure the impact on the environment and energy bills are kept to a minimum.

2.7. The Government have stated:

“The Energy White Paper produced by the Government acknowledged the reality of climate change and stated a commitment to putting the UK on a path to cutting carbon dioxide emission by 60% before 2050 with real progress by 2020 by cutting emissions by 34% of the 1990 levels.

With around half of the CO² emissions coming from building energy use, the Building Regulations are a key part of Government efforts to tackle climate change through higher building standards. CLG recognise that Building Control professionals are at the forefront of these efforts.”

2.8. Following the Housing Standards Review the Government are reliant on the building regulations reducing CO2 emissions and have introduced changes to Part L which will deliver zero carbon homes from the latter part of 2016.

2.9. The Infrastructure Act will provide powers to deliver allowable solutions to meet this zero carbon policy. This will be done through on-site energy efficiency to a code level 4 equivalent standard and by using off-site measures to offset 100% of the remaining regulated emissions. The allowable solutions being developed at present include:

- more energy efficiency on site
- a national fund
- partnering with a third party to provide off-site carbon abatement which could be a local scheme

2.10. The overriding factors will be cost effectiveness, certifiable and verifiable as well as delivering the off-set of the remaining emissions over a 30 year period.

2.11. Ministers have stated that local planning authorities will be able to set and apply policies in their local plan which require compliance with energy performance standards that exceed the energy requirements of the building regulations until commencement of amendments to the Planning and Energy Act 2008 in the Deregulation Bill 2015. This is expected to happen alongside the introduction of the zero carbon homes policy in late 2016.

2.12. After this energy performance requirements, in the building regulations, will be set at a level equivalent to the outgoing Code for Sustainable Homes Level 4. Until then the Government expect local planning authorities to take this statement of the Government's intention into account in applying existing policies and not set conditions with requirements above the code level 4 equivalent.

2.13. In order to support small builders all new homes will be required to meet the strengthened on-site energy performance standard but those building on small sites will not be required to support any further off-site carbon abatement measures. This applies to the size of the site not the size or type of developer. There will be an exemption for small housing sites of 10 units or fewer from the allowable solutions element of the zero carbon homes target with an overall maximum size of 1000m² of floor space for the site. Legislation will be put in place to ensure this exemption is not abused. The Government intend to review this exemption after three years. They intend to use the powers in the Building Act that not only enable Building Regulations to be made that provide an exemption based on site size, but also enable provision to prevent the subdivision of larger sites in order to abuse the exemption.

2.14. There have been key changes to the Building Regulations following the Housing Standards Review which will entail greater liaison between planning and building control bodies.

- Energy (Part L) - Code for Sustainable Homes is being wound down and building regulation used to delivery zero carbon homes
- Water (Part G) - optional higher standard of 105 litres per person per day based on planning information where the water supply is low
- Access (Part M) - two additional levels of compliance have been introduced equivalent to life-time homes and wheelchair housing. The designation of appropriate plots will be based on the planning permission.
- Security (Part Q) - a new regulation has been introduced to control minimum levels prescribed for security for doors and windows.
- Space – this is a new nationally described standard which will be controlled through planning legislation but enforced through building control.

2.15. This key message from the Government and the demand from the construction industry for pre-application advice and discussion mean it is imperative that STG invest in continually training staff to provide the lead and the service that is required. This necessary training will ensure that sufficient qualified staff are available to provide a design service through the consultancy, and a checking service through the administration of the Building Regulations without compromising the necessary checks and balances which need to be in place to ensure complete scrutiny in both the design and checking processes, similar to that which exists in private sector competition.

Links to STG Delivery Plan Reference:

- Objective 3 (see page 8)

Maximising Opportunities for local communities

Linked to Council Priorities:

- Stronger Gravesham - 'a healthier more cohesive community where children have the best start in life and people are proud to call home' – Gravesham priority
- Children and young people having the best start in life – Medway priority

- Older and vulnerable people maintaining their independence – Medway priority
- A community to be proud of – Swale priority

2.16. Through our work with the housing sections of two partner authorities we help to deliver improvements to council owned properties through the Decent Homes, condition surveys and fire risk assessments. During these surveys we also assess health and safety requirements of the occupants and impacts on the community.

2.17. With joint training, guidance and information sheets, together with builder and architect forums, the Partnership aims to support all of our customers in their building projects. Over the next three years mini guides will be developed both locally and nationally to cover general standards of construction on many projects in the domestic market such as garage conversions, small extensions and removal of load-bearing walls. This will assist in ensuring a consistent approach to the many challenges, the multitude of complex and interactive regulations now presents to every development.

2.18. Whilst plan assessments identify areas of non-compliance and contraventions within the drawing they also often identify areas where the builder, developer or owner may need to pay particular attention to an element of construction. By formulating best practice guides on domestic developments, we will create a mechanism to ensure areas of concern on site are minimised and that not only will the completed project comply with the Building Regulations, it will also satisfy good building practice in many areas that are not necessarily covered by our controls.

2.19. Inclusive design is a paramount requirement of both newbuild and refurbishment works. Advising on compliance with The Equalities Act and Part M of the Building Regulations is a major part of public protection inspection services non-chargeable work. This not only delivers a more suitable environment for disabled people, but also transfers the benefits to the greater community, i.e. young families, older people and those caring for others.

2.20. The revisions to Part M of the Building Regulations will ensure consideration is given to both life-time homes and wheelchair accessible homes for future occupants of a new residential development. These will help maintain communities and help to support older and vulnerable people to remain in the areas they know.

2.21. The majority of the work of the Partnership is concerned with protecting the community through health and safety requirements in the regulations or in other sections of the Building Act.

2.22. Important examples of health and safety requirements include fire safety (means of escape, fire spread and access for the fire service) structural safety and satisfactory drainage. In addition, the Partnership deals with dangerous structures, demolitions, dilapidated buildings and contraventions of the Building

Regulations. The Government have also introduced a new Part Q to the Building Regulations to introduce security as a measure that needs to be considered.

2.23. We assist with a number of local agents and private sector housing sections to ensure adaptations comply with the Regulations to enable older and vulnerable people to stay in their homes and maintain their independence.

Links to STG Delivery Plan Reference:

Objective 1 Action 1.5, 1.6, 1.7 (see page 5 & 6)

Objective 2: Action 2.1 & 2.4 (see page 7)

Objective 3 Action 3.1 (see page 8)

Delivering quality services

Linked to Council Priorities:

- Sound and Self-Sufficient Council - 'a well-run and innovative council supporting its staff to realise commercial opportunities whilst transforming its services to deliver at the best possible value for money' – Gravesham
- Putting the customer at the centre of everything we do - Medway
- Giving value for money - Medway
- A council to be proud of - Swale

2.24. Our customer survey revealed that the overall service provided by STG is of a very high standard with 97% of respondents rating it good to excellent. A further postal survey was carried which targeted owners of properties where works had been carried out.

2.25. 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.

2.26. The development of the new back office system will improve many elements of our customer service. Through the Business Plan we will be able to deliver a better service on site with access to real time information and through further developments of the system the ability to deliver inspection notes, notices and letters on site. Customers will be able to track the progress of applications online and carry out initial surveys on their properties through the web. We will be revisiting and revising guidance documentation for owners and developers to improve consistency on site and ensure communication throughout the life of the project is improved.

2.27. Local Authorities have a duty to ensure that building work complies with the Building Regulations (Section 91 of the Building Act 1984). If our requests to rectify contraventions fail then, as a last resort, more formal action is used. There are two courses of action available:

Prosecution of the builder in the Magistrates Court under Section 35 of the Building Act 1984: in most cases, action must be started within six months of the

contravention being discovered, the period of discovery being extended in 2008 to two years from the date the works were completed.

Notice under Section 36 of the Building Act 1984 requiring the owner to remove or rectify the contravening work. This Notice must be served within 12 months from the date of discovery of the contravention.

- 2.28. The Legal Aid, Sentencing and Punishment of Offenders Act 2012 (Fines on Summary Conviction) Regulations 2015 came into force in March 2015 and removed the £5,000 cap that used to limit the maximum fine Magistrates could impose. It applies to fines imposed by the Building Regulations under Sections 35 and 35A of the Building Act. Magistrates can now issue much higher penalties on offenders who have committed the most serious level 5 offenses and can now hand down prison sentences up to 6 months and be able to refer what more serious cases to a Crown Court.
- 2.29. However, most enforcement work is carried out by negotiation. Prosecutions through the courts are an exception, but every day a number of the inspections carried out involve some form of intervention to either prevent or rectify work which was in contravention of the Regulations. We have worked with our software provider to design a way of capturing this information in the form of pre-contravention inspection reports and we will monitor this monthly to reflect the number of inspections carried out that have protected consumers from building regulation contraventions during the course of their development.
- 2.30. As mentioned previously, consistency remains an important requirement identified by customers. We will be examining this area through the provision of training and shared experiences of staff and designers, the use of guidance notes and the use of comprehensive clauses, conditions and site notes.

Links to STG Delivery Plan Reference:

Objective 1 Action 1.2 – 1.5 – (see page 4 & 5)

Objective 2 Action 2.4 – (see page 7)

3. SERVICE RISKS

Risk rating key

Likelihood

- A. Very high
- B. High
- C. Significant
- D. Low
- E. Very low
- F. Almost impossible

Impact

- 1. Catastrophic (showstopper)
- 2. Critical
- 3. Marginal
- 4. Negligible

Host Directorate: RCC		Service: STG Building Control			Manager: Tony Van Veghel		Portfolio Holder: STG Joint Committee	
Risk Title: Finance and Strategy					Description of Risk: Reduced income			
Date	Risk No	Risk Rating	Vulnerability	Trigger	Consequences if Risk Realised	Mitigation/Action Points for Risk Owners	Service Plan Ref.	
17/12/15	01	B2	Inability to recruit staff in a competitive market from a reducing pool of resource	6 qualified surveyors	Additional staff brought in from agencies which would significantly increase costs.	Continuance of market premia. Development of assistant building control surveyors and continue recruitment of assistants from other areas in the construction industry.	1.9, 4.7, 4.9, 5.4	
17/12/15	02	C2	Current infrastructure unable to support development of technological advancements in service delivery	Inability to access back-office system and meet customer demands	Inefficient service delivery resulting in further loss of market and inability to compete.	Development of online solution to become more cloud based and invest in both hardware and software.	1.4, 1.5, 1.7, 2.5, 3.7, 4.2	

Host Directorate: RCC			Service: STG Building Control		Manager: Tony Van Veghel		Portfolio Holder: STG Joint Committee
Risk Title: Finance and Strategy					Description of Risk: Reduced income		
Date	Risk No	Risk Rating	Vulnerability	Trigger	Consequences if Risk Realised	Mitigation/Action Points for Risk Owners	Service Plan Ref.
17/12/15	03	C3	Increased demand on public protection duties	Percentage time spent exceeds contributions income	Further call on contributions from partners. Reduction in service to partners.	Close monitoring of time spent and increase in demand. Investigate recovery of some costs through insurance claims.	1.3, 3.8, 3.9, 3.11, 4.8
10/08/15	04	C2	Highly competitive and unpredictable market. Diminishing income through lack of building regulation applications.	65% of market share	Insufficient income to cover expenditure on chargeable account resulting in an increase on the followings year's chargeable rate which may make us uncompetitive.	Reduced expenditure to limit income deficiency. Look for alternative income streams through consultancy service. Improve marketing strategy and rationale services provided.	1.9, 2.4, 3.2, 3.3, 3.4, 5.2, 5.3
10/08/15	05	C3	Inability to sustain growth and acquire additional business.	Reduction in market share and consultancy services income	Inability to match income with expenditure resulting in increase in following year's chargeable rate. Surveyors chargeable time transfers to enforcement activity which would not be sustainable from the contributions. Consultancy losing income and not sustainable.	Invest in training and development of staff so as to diversify resources into consultancy work. Increased time allocation monitoring.	1.3, 1.4, 1.8, 1.12, 2.6, 3.12, 3.13, 4.3, 4.4, 4.5
10/08/15	06	D3	Current economic situation leading to increased debt arising from unpaid invoices.	Increased number of applicants unable to pay invoices.	Number and value of debtors increased affecting the budgeted income figure. Unpaid invoice provision within budget would need to be increased.	Careful monitoring of debtors list. Vigorous pursuit of large debts. Database clearly marked where invoice remains unpaid so as site surveyor can pursue on inspection. Taking over the functions of invoicing and dept collection from the finance	2.3, figure 1

Host Directorate: RCC			Service: STG Building Control		Manager: Tony Van Veghel		Portfolio Holder: STG Joint Committee
Risk Title: Finance and Strategy					Description of Risk: Reduced income		
Date	Risk No	Risk Rating	Vulnerability	Trigger	Consequences if Risk Realised	Mitigation/Action Points for Risk Owners	Service Plan Ref.
						department.	
10/08/15	07	D3	Failure to suitably develop staff to meet the needs of the business and match personal self improvement expectations.	The market is regularly changing to offer alternative services to clients which compliment building regulation work. The Partnership requires staff to be trained to deliver a more diverse service and remain competitive.	Insufficient skill base would result in customers being more attracted to the competition with a resultant loss in work.	Ensure staff are well trained and able to compete with the services offered by the private sector. Develop training matrix to ensure staff development through PDR process.	1.9, 1.10, 2.4, 3.6, 4.7, 4.8, 4.9, 5.11