

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

**9 June 2016**

## **SOUTH THAMES GATEWAY BUILDING CONTROL PARTNERSHIP ANNUAL REPORT**

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

### **Summary**

This report seeks to inform Members of the performance and financial information for the year 2015/16.

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

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

### **2. Background**

2.1 As the draft Business Plan is written in July/August with amendments up to December, Members have requested an annual report to give an overview of the Partnership's progress throughout the year.

### **3 Directors comments**

3.1 The construction industry has taken some time to recover from the recession; however, there was clear evidence in 2015/16 the market is improving. With increases in workload throughout all our services we needed to match resources with demand in order to maintain a high level of service. The benefits of our investment in IT have also enabled us to use those resources more effectively with remote and agile working and our review of our consultancy provided innovative ways of generating additional income which all helped to balance our budget and mitigate any pressures.

3.2 Our first full year at the Foord Annexe has proven very successful with more customers opting to visit the offices and deal with enquiries on a one-to-one basis with staff. Our review of procedures and processes resulted in a far more streamlined application process which has been very well received by our partner architects and customers in general.

- 3.3 The development of remote working with surveyors using ipads to access our systems has also allowed for a 20% increase in inspections over the previous year. We have had audits carried out by Medway on operations and health and safety, an internal audit on consultancy and two BSI inspections under ISO 9001 all of which achieved the highest standards available and once again proved the professionalism of all staff and resilience of the partnership.

#### **4 Resources**

- 4.1 As demand has risen across all three of our service areas throughout the year, pressure has been placed on resources. The number of building regulation applications increased by 27% in the first quarter heralding a trend throughout the year. By October we had nearly a third more applications than the previous year before a slight fall back at the end of the year which saw an overall increase of 25% against applications received in 2014/15.
- 4.2 This significant increase in applications placed a great deal of pressure on the service which had depleted numbers of staff for a number of reasons both on the technical administration and surveying teams. Each additional application requires additional validation and processing time, an increased number of plans to be checked and additional formal and informal enquiries as well as the associated increase in numbers of inspections.
- 4.3 In order to deal with the pressure revised working practices were introduced into the processing procedure and the temporary agency staff retained. We engaged a further temporary housing surveyor to carry out work for the consultancy on decent homes surveys releasing a senior building control surveyor to develop a dedicated enforcement officer role, which was included in our Business Plan presented to Members.
- 4.4 Despite the increase in applications annual income from building regulation applications remained the same as 2014/2015. Therefore, additional income was required to mitigate this pressure. We achieved this by winning more work through the stock condition surveys and developing the range of services on offer to gain additional work in the private sector. By developing the enforcement role an increased number of regularised applications were deposited which generate an additional 20% per application. Increases in house sales were mirrored with an increased number of searches coming through and the technical assistants group maintained their high service level agreement performance generating further additional income.
- 4.5 The development of our two assistant building control surveyors continued throughout the year with both completing their probationary period and taking on increasingly complex work, under the supervision of their managing surveyors. We will be looking for them to develop further this coming year including application to the Chartered Association of Building Engineers and a graded transition to become a full building control surveyor. Progressively throughout this year they have been able to assist with planned site visits and controlled plan vetting which has proved to be a very useful resource and a successful career development.

## **5 IT**

- 5.1 The ongoing use and development of our back-office system Tascomi is crucial to our forward planning which is included in our business plan. All surveyors now operate remotely using ipads and now with EE connectivity have improved signal coverage throughout the area. We are also working with Tascomi to develop an off-line solution and Members had agreed to invest some of last year's surplus into this development. However, given the additional pressures implementation was postponed to 2016/17.
- 5.2 The use of ipads to log and carry out inspection records has resulted in an increase of 20% on inspections carried out meeting the objectives of our business plan target. The plan also looks at moving towards onscreen plan vetting and the first stage of this was achieved by the installation of wide screen monitors on the hot desks. Further development of this project will be taken forward next year ultimately resulting in surveyors being able to check plans, annotate requirements and carry out consultations in a digital format.
- 5.3 A further improvement to customer service will be the provision of our new website. Consultation and development work took place throughout the year with full implementation planned for 2016/17.
- 5.4 Our close development of the IT system and excellent working relationship with Tascomi has resulted in us being put forward as demonstrating best practice at two conferences this year. We have also met with other groups that are now forming partnerships in Derbyshire and Hertfordshire utilising the Tascomi system.

## **6 Performance**

- 6.1 Despite the huge increase in applications we have managed to improve our performance throughout the year exceeding our percentage targets for the last 9 months.
- 6.2 In maintaining the use of temporary staff through the summer we were able to ensure full coverage of a highly demanding inspection service and with the return of two surveyors at the beginning of this calendar year, together with the general progression of the building control assistants, we were able to focus on the plan checking and site inspection duties so as to improve performance and consistency in dealing with applications.
- 6.3 The consistency element is very important to customers. Speed of service has always been highly ranked in the customer surveys we carry out but it is closely followed by consistency of approach. The work we began in 2014/15 to improve the consistency of interpretation by surveyors has continued throughout the year and with further developments and redesigning the plan checking module to include a number of templates we are continuing to improve the product for customers.
- 6.4 We have a Service Level Agreement (SLA) with both Swale and Medway Councils for delivery of their land charges searches within three working days. By managing

resources, and despite an increase in searches, all the SLA's were achieved and income in excess of £30,000 was generated.

### Quarterly Performance

	% plans checked within 10 days	% plans checked within 15 days	% determined within 5 weeks /or 2 months	No PCIs	% completion certificates sent within 5 days of completion	% Reg & Acknow within 3 days	% LC Searches - Medway within 3 days	% LC Searches - Swale within 3 days	% HIPs (within 10 working days)
<b>2014-15</b>	<b>Target 70%</b>	<b>Target 85%</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>
Apr	35.29	80.88	100.00	128	100.00	97.31	100.00	100.00	100.00
May	31.96	78.35	100.00	0	100.00	26.14	100.00	100.00	100.00
Jun	33.96	77.36	100.00	223	100.00	22.60	100.00	100.00	100.00
Jul	36.78	89.66	100.00	80	100.00	40.34	100.00	100.00	100.00
Aug	30.23	30.23	100.00	36	100.00	41.84	100.00	100.00	100.00
Sep	20.22	49.44	100.00	24	100.00	21.92	100.00	100.00	100.00
Oct	59.68	77.42	100.00	37	100.00	100.00	100.00	100.00	100.00
Nov	77.33	92.00	100.00	29	100.00	100.00	100.00	100.00	100.00
Dec	52.54	88.14	100.00	21	100.00	100.00	100.00	100.00	100.00
Jan	86.96	100.00	100.00	11	100.00	100.00	100.00	100.00	100.00
Feb	78.43	94.12	100.00	22	100.00	100.00	100.00	100.00	100.00
Mar	69.70	96.97	100.00	25	100.00	100.00	100.00	100.00	100.00
<b>2015-16</b>	<b>Target 70%</b>	<b>Target 85%</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>
Apr	55.67	76.29	100.00	12	100.00	100.00	100.00	100.00	100.00
May	77.47	93.55	100.00	24	100.00	100.00	100.00	100.00	100.00
Jun	69.39	93.88	100.00	24	100.00	98.48	100.00	100.00	100.00
Jul	89.55	97.01	100.00	13	100.00	81.07	100.00	100.00	96.97
Aug	78.26	93.48	100.00	52	91.67	77.51	100.00	100.00	100.00
Sep	83.70	95.65	100.00	17	99.08	100.00	100.00	100.00	100.00
Oct	81.13	100.00	100.00	33	100.00	100.00	100.00	100.00	100.00
Nov	100.00	0.00	100.00	42	100.00	100.00	100.00	100.00	100.00
Dec	80.33	95.08	100.00	26	100.00	100.00	100.00	100.00	100.00
Jan	90.00	100.00	100.00	28	100.00	100.00	100.00	100.00	100.00
Feb	86.59	97.56	*	15	100.00	100.00	100.00	100.00	100.00
Mar	84.87	94.12	*	42	96.80	98.96	100.00	100.00	100.00
<b>Cummulative</b>	81.41	86.39	100.00		98.96	96.34	100.00	100.00	99.75

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

## 7 Consultancy

7.1 Development of the consultancy into a Local Authority Trading Company (LATC) is a major objective within the business plan and in order to prepare in taking the objective forward an internal audit was carried out. The consultancy has focused in two main areas of work over the past year, energy assessments and social housing surveys, however, with the demise of the code for sustainable homes demand for the former has decreased.

7.2 The audit revealed that there were opportunities that could be exploited in both work streams but which would require a relaunch of a marketing strategy and where

possible the use of experts in the field. The quality of the end product and control of service delivery was proved to be better served by using the specialist approach. Management of the consultancy was moved to the Head of Administration and Business Development as expanding the range of services and marketing those services is key to making the consultancy a commercial success. A review of procedures and processes was also undertaken and amended as necessary to facilitate competing more effectively in the market place.

- 7.3 In September Trowers & Hamlins gave a presentation to Joint Committee on the opportunities available for local authorities to operate commercial services whilst maintaining control by the partner authorities. A number of opportunities exist as an LATC, mutual or social enterprise and Members have requested an options appraisal to determine the most suitable delivery vehicle.
- 7.4 This was the first full year of the SLA with Medway's Housing group which required 600 stock condition surveys to be carried out. It has been a very successful year in gathering the information on those properties, entering it into housing's back-office system and giving the detailed information on which they can base their asset management strategy, finance and forecasting for the following year. So successful was the project that it was completed ahead of target allowing a further 100 properties to be surveyed by the end of the year. In the last quarter of the year we were able to supply a surveyor to back-fill a vacancy in Gravesham's Private Sector Housing group and again this has proved very successful with the contract extending into 2016/17.

## **8 Transparency**

- 8.1 The partnership has undergone three audits and two inspections from our QA auditor the BSI through 2015/16. All of these have resulted in successful outcomes and demonstrate the strength of the processes in place and the determination of staff in delivering a first-class service.
- 8.2 The health and safety audit comprised a number of meetings and an inspection of our policies and processes by Medway's Health & Safety team. Our final assessment of 93% puts us in the top percentile of groups examined by the team. Given the nature and diversity of the work we do and the reliance on lone and agile working, this was an extremely pleasing result to achieve. The construction industry is one of the most dangerous to operate in and given that surveyors have to carry out risk assessments on each site they visit, at the time of inspection, without prior knowledge of the builder/developers site practices and procedures, it is very impressive. Our use of Tascomi and its diary function to record daily visits together with our in-house controls of remote working ensures our lone working policy is robust.
- 8.3 Medway Council carried out a full operational audit on the partnership through the summer with the aim of identifying any risks in the governance, financial and performance arrangements together with questions around the provision of value for money. It was also tasked with examining whether the delivery of building control was of a high standard and satisfied all the responsibilities for the function.

- 8.4 The final report published in October gave the highest recommendation possible which is again a testament to the governance and financial arrangements in place and the policies and procedures followed by the staff.
- 8.5 The third audit was an internal audit on the consultancy. It was carried out to prepare the consultancy for a change in direction and its potential in to becoming a LATC. It was determined that the most effective delivery was through the engagement of specialists and the streamlining of services delivered. A revision of the structure was undertaken to achieve these outcomes.
- 8.6 In order to maintain our status as a quality assured company to ISO 9001:2008 we were audited twice during the year by the British Standards Institute (BSI). The objective of these inspections is to conduct a surveillance assessment and audit looking for positive evidence to ensure that: "management systems are in place to demonstrate the ability of the partnership to deliver statutory, regulatory and contractual requirements of our business plan and objectives."
- 8.7 We also have to demonstrate our forward strategy plan and potential areas of improvement in our management systems. Both the inspections were successful with us maintaining our QA accreditation and registration as a quality assured organisation.

## **9 Best Practice and Development of the Partnership**

- 9.1 As mentioned earlier we have been promoted as best practice at two conferences this year and have shared our experiences in developing the partnership at a LABC meeting on shared services. We met with a Derbyshire group of five authorities in October who were looking to partner and use the Tascomi system. Similarly we have had two meetings with the seven Hertfordshire councils who are looking to set up a partnership via a LATC. This project is being taken forward by Trowers & Hamlins and an exchange of information has taken place benefiting both organisations. There may be an opportunity to assist in the project management of this venture with us selling our expertise in the field through the consultancy.

## **10 Conclusion**

- 10.1 It has been another busy year for the partnership. The 25% overall increase in applications affects all of our work streams; processing, validating, plan vetting and site inspections. There was also an increase in customer contact through telephone calls and enquiries.
- 10.2 With the introduction of a new enforcement role through the last 6 months of the year we have been able to be pro-active in discovering unauthorised works as well as providing a dedicated service to follow up on previous cases. The opportunity is also available to convert the more recent works into regularisations, helping to protect the public and generating additional income.
- 10.3 The consultancy has also proved very busy with our housing target SLA being met by December and an additional 100 properties able to be dealt with within the financial year. The review of the consultancy has also allowed for new processes and procedures to be introduced giving greater controls over speed of delivery and

quality of end product. Additional external specialists have been engaged so that the consultancy can facilitate a greater range of services.

- 10.4 Whilst we have seen an increase in workload in all three of our work streams we are looking forward to a continuation and further increases in 2016/17. This together with the expansion and redirection of our consultancy are the objectives of our Business Plan which will take us forward over the next 3 years.

## **11 Finance and Legal Implications**

- 11.1 The end of year monitoring statement is included in Appendix 1. There are no legal implications as a result of this report.

## **12 Risk Management**

- 12.1 There are no risks within this report.

## **13 Recommendations**

- 13.1 Members are asked to note the contents of the report.

## **14 Suggested Reasons for Decisions**

- 14.1 The Constitution requires the Joint Committee to maintain a monitoring role on the progress of the partnership.

### **Lead officer contact**

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### **Background papers**

None

## Year End Budget Monitoring Report

<u>Description</u>	<u>2015/16 Revised Budget</u>	<u>2015/16 Actuals</u>	<u>2015/16 Variance</u>
STG BLDG CONT Admin Staff	1,100,000	968,258	(131,742)
STG BLDG CONT Adm Stf Consult	0	0	0
STG BLDG CONT Adm Stf PubProt	0	0	0
STG BLDG CONT Relief&Temp St	0	45,860	45,860
STG BLDG CONT Add Lump Sum	0	0	0
STG BLDG CONT Medical Screen	0	0	0
STG BLDG CONT VDU/Eye Tests	50	34	(16)
STG BLDG CONT Medical Refera	100	365	265
STG BLDG CONT Counselling SL	0	0	0
STG BLDG CONT Advert&Int	0	0	0
STG BLDG CONT Allowances	0	0	0
STG BLDG CONT Clothing Allce	2,000	340	(1,660)
STG BLDG CONT Allow-Call Out	11,000	4,012	(6,988)
STG BLDG CONT Employee Ins	1,601	0	(1,601)
STG BLDG CONT PL Ins Staff	0	0	0
STG BLDG CONT Staff Training	7,000	3,479	(3,521)
STG BLDG CONT Trg Consultancy	7,000	0	(7,000)
STG BLDG CONT CRB Checks	0	0	0
<b>Staffing</b>	<b>1,128,751</b>	<b>1,022,349</b>	<b>(106,402)</b>
STG BLDG CONT R&M Bldgs Gen	3,000	5,530	2,530
STG BLDG CONT Electricity	4,900	1,987	(2,913)
STG BLDG CONT Gas	2,300	805	(1,495)
STG BLDG CONT Rents External	25,600	19,000	(6,600)
STG BLDG CONT Rents Internal	0	0	0
STG BLDG CONT NNDR	10,000	11,328	1,328
STG BLDG CONT Water & Sewer	700	87	(613)
STG BLDG CONT Contract Clean	800	280	(520)
STG BLDG CONT Window Clean	200	0	(200)
STG BLDG CONT Trade Refuse	400	378	(22)
STG BLDG CONT Prem Security	0	0	0
STG BLDG CONT Premises Ins	1,500	491	(1,009)
<b>Premises</b>	<b>49,400</b>	<b>39,885</b>	<b>(9,515)</b>
STG BLDG CONT Vehicle Ins	500	0	(500)
STG BLDG CONT Public Trans	300	152	(148)
STG BLDG CONT Park Fees	250	11,574	11,324
STG BLDG CONT Trv-Lsed-Mile	3,000	346	(2,654)
STG BLDG CONT Casual User	300	516	216
STG BLDG CONT Essential User	38,000	29,676	(8,324)
STG BLDG CONT Cash for Cars	0	0	0
<b>Transport</b>	<b>42,350</b>	<b>42,264</b>	<b>(86)</b>
STG BLDG CONT Equip/Furn/Mats	1,500	311	(1,189)
STG BLDG CONT Equipment Only	0	(2,000)	(2,000)
STG BLDG CONT Equipment Rent	5,500	10,499	4,999
STG BLDG CONT Equip An Mtce	2,000	276	(1,724)
STG BLDG CONT Books/Pubs/News	2,000	4,186	2,186
STG BLDG CONT Water Coolers	0	255	255
STG BLDG CONT Meetings Refr	500	410	(90)
STG BLDG CONT Refrsh Consult	0	0	0
STG BLDG CONT Compass Acc SLA	0	0	0
STG BLDG CONT Fin Strategy SLA	8,100	8,100	0
STG BLDG CONT Exchequer SLA	5,200	5,200	0
STG BLDG CONT Control SLA	0	0	0



<u>Description</u>	<u>2015/16 Revised Budget</u>	<u>2015/16 Actuals</u>	<u>2015/16 Variance</u>
STG BLDG CONT HR SLA	3,416	3,416	0
STG BLDG CONT Org Dev SLA	2,534	2,534	0
STG BLDG CONT Adv & Cons SLA	954	954	0
STG BLDG CONT HR Ops SLA	742	742	0
STG BLDG CONT HR Resource SLA	962	962	0
STG BLDG CONT H&S SLA	1,002	1,002	0
STG BLDG CONT IT Comp SLA	20,000	11,435	(8,565)
STG BLDG CONT IT Business SLA	0	0	0
STG BLDG CONT Legal SLA	10,000	2,290	(7,710)
STG BLDG CONT Print/Stat/Exp	0	342	342
STG BLDG CONT Prt Chargeable	0	28	28
STG BLDG CONT Prt N/Chargeab	0	0	0
STG BLDG CONT Printing	3,000	2,869	(131)
STG BLDG CONT Print Consult	0	0	0
STG BLDG CONT ConsultPubProt	2,000	637	(1,363)
STG BLDG CONT PrintPubProtect	500	0	(500)
STG BLDG CONT Stationery	2,000	2,869	869
STG BLDG CONT Station Consult	1,000	824	(176)
STG BLDG CONT StatPubProtect	500	49	(451)
STG BLDG CONT Gen Office Exp	100	167	67
STG BLDG CONT Microfilming	0	0	0
STG BLDG CONT Ext Audit Fees	2,100	4,000	1,900
STG BLDG CONT HR Approved Agency	0	163,789	163,789
STG BLDG CONT Age StSecurity	1,200	933	(267)
STG BLDG CONT Consult Fees	0	4,141	4,141
STG BLDG CONT C/Fees Chrgabl	6,000	0	(6,000)
STG BLDG CONT C/Fees NChrgb	3,000	(2,319)	(5,319)
STG BLDG CONT Cons PartPElec	1,000	3,780	2,780
STG BLDG CONT STGConsult Exp	6,000	8,123	2,123
STG BLDG CONT ConsultPubProt	1,000	559	(441)
STG BLDG CONT Cons-HR Approved	0	0	0
STG BLDG CONT Other Fees	0	0	0
STG BLDG CONT Land Reg Fees	1,000	433	(567)
STG BLDG CONT Telephone	0	0	0
STG BLDG CONT Mobiles	1,600	4,816	3,216
STG BLDG CONT Call Costs	100	0	(100)
STG BLDG CONT Line Rental	120	18	(102)
STG BLDG CONT Postage	5,500	8,548	3,048
STG BLDG CONT Post Consult	300	0	(300)
STG BLDG CONT Computer Hard	3,000	1,355	(1,645)
STG BLDG CONT Computer Soft	25,200	18,755	(6,445)
STG BLDG CONT Computer Net	0	0	0
STG BLDG CONT Comp S/W Dev	0	0	0
STG BLDG CONT Subsistence	0	0	0
STG BLDG CONT Subscriptions	8,000	16,838	8,838
STG BLDG CONT StatPubProtect	0	0	0
STG BLDG CONT All Risks Ins	1,500	0	(1,500)
STG BLDG CONT Indemnity Ins	750	0	(750)
STG BLDG CONT Ind XS	0	0	0
STG BLDG CONT Publicity	5,000	597	(4,404)
STG BLDG CONT Pub Consultancy	7,000	39	(6,961)
STG BLDG CONT PublicityProtec	500	0	(500)
STG BLDG CONT Misc Exps	0	0	0
STG BLDG CONT MiscEx OfficeM	0	2,749	2,749
STG BLDG CONT Advertising	500	148	(353)
STG BLDG CONT Contr to Res	0	0	0

<u>Description</u>	<u>2015/16 Revised Budget</u>	<u>2015/16 Actuals</u>	<u>2015/16 Variance</u>
STG BLDG CONT Contrib I T R	5,000	22,000	17,000
STG BLDG CONT Comp Claims	0	0	0
STG BLDG CONT ContBadDebtProv	3,000	0	(3,000)
STG BLDG CONT Prov Bad Debts	0	(18,000)	(18,000)
<b>Supplies &amp; Services</b>	<b>161,880</b>	<b>299,658</b>	<b>137,778</b>
STG BLDG CONT Pub Bods Cont	0	0	0
STG BLDG CONT Cont from OLAs	0	(290,300)	(290,300)
STG BLDG CONT Cont from Res	0	(29,029)	(29,029)
STG BLDG CONT Non-Med Oth Bod	(290,300)	0	290,300
<b>Contributions from Partner Authorities</b>	<b>(290,300)</b>	<b>(319,329)</b>	<b>(29,029)</b>
STG BLDG CONT Fees & Chs Gen	(5,000)	(4,186)	814
STG BLDG CONT Land Chg Fees	(25,000)	(34,040)	(9,040)
STG BLDG CONT L/C Searches	0	0	0
STG BLDG CONT Bldg Cont Fees	(912,320)	(828,376)	83,944
STG BLDG CONT BldgContSentry	0	0	0
STG BLDG CONT STGConsult Inc	(85,000)	(151,992)	(66,992)
STG BLDG CONT Bldg Ctrl Reg	(55,000)	(59,205)	(4,205)
STG BLDG CONT BldgConPart P	(6,924)	(6,003)	921
STG BLDG CONT BldCtFeesPartP	(2,837)	(791)	2,046
STG BLDG CONT Lettings Ext	0	0	0
STG BLDG CONT Adv Income	0	(234)	(234)
STG BLDG CONT Misc Receipts	0	0	0
STG BLDG CONT BackDatedSuper	0	0	0
<b>Other Income</b>	<b>(1,092,081)</b>	<b>(1,084,827)</b>	<b>7,254</b>
<b>Total Expenditure</b>	<b>1,382,381</b>	<b>1,404,156</b>	<b>21,775</b>
<b>Total Income</b>	<b>(1,382,381)</b>	<b>(1,404,156)</b>	<b>(21,775)</b>
<b>Total Recharges</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Net</b>	<b>0</b>	<b>0</b>	<b>0</b>