

Building Control Partnership Business Plan 2012-2017



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CONTENTS

1	Executive summary	1
2	Background	3
3	Review	4
4	National and local drivers which have influenced service delivery	5
5	Performance	8
6	Stakeholder expectations	15
7	Vision and objectives	16
8	Finance and resources	18
9	Workforce planning and organisational change	20
10	Conclusion	22

Appendix 1 - Service delivery documentation

1. EXECUTIVE SUMMARY

- 1.1. This business plan covers the next term of the Partnership from 2012-2017. It builds on the resilience demonstrated over the last five and continues to use and develop the skills and expertise of the staff to deliver a wide range of services for customers and maximise income streams.
- 1.2. Since the challenges of the economic recession began in 2008, the Partnership has demonstrated a high degree of flexibility in mitigating a great deal of the financial pressure, caused by the reduction in the construction market, by being able to change working practices of staff and increasing the offer to customers.
- 1.3. The next five year period is unlikely to show much growth with predictions of a likely fall in 2012, stabilisation in 2013 and possible growth of 4%-5% in 2014/15.
- 1.4. In order to maintain a balanced budget it is important to supplement income from the Building Regulation charges with other income streams such as the consultancy and regularisation budgets. The decline in complex projects has had a direct effect on the level of work coming through the consultancy from external customers. Therefore a concerted effort to expand the internal market, with continued support from the three Partner Authorities, is paramount in maintaining income and increasing the diversification of roles of staff.
- 1.5. New legislation to further strengthen the enforcement powers of Local Authorities is proposed for 2013/14 and this will offer greater opportunities to drive out “cowboy builders” and improve general building standards especially in the domestic market.
- 1.6. Investment in IT is key to increasing efficiency and giving greater opportunities for customers to interface with the Partnership. Development will allow applicants to track applications, carry out historical research on their property and will give the opportunity for mobile working. This will improve the inspection service still further, recording data in real time and delivery on increased number of inspections per officer per day.
- 1.7. There will be an opportunity to re-examine the case for the consultancy becoming a Local Authority Company which will be important when there is a recovery in the construction industry as it will allow greater flexibility in resourcing an increase in demand.
- 1.8. During this next five year period the Partnership will have to relocate, as the lease on our current accommodation will end in March 2015. This, together with the possibilities from mobile working will allow us to reduce our office accommodation and therefore costs. The most recent customer questionnaire revealed that our present location is popular so any decision on a move away from the Maritime area will have to be properly examined, however, better connectivity through the IT system may reduce foot fall in reception.

- 1.9. An important area for consideration is the opportunity to expand the Partnership so as to encompass additional authorities. Discussions with Tonbridge and Malling is ongoing and possible changes to service delivery in a number of other authorities over the next few years may offer further potential partners.
- 1.10. 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 Partner Authorities has allowed.

2. BACKGROUND

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

3. REVIEW

- 3.1. Last year was a very important year for the Partnership. The first term agreed by the Partner Authorities was for 5 years from October 2007 and then the Agreement was to be reviewed to determine if the three authorities wanted to carry this arrangement on for a further five years.
- 3.2. Members agreed unanimously that the Partnership had been a success and a second term was agreed at each Authority's Cabinet taking the Partnership forward to 2017.
- 3.3. Although applications fell by around 9% in 2011/12 against the 2010/11 figures and total income fell by just over 1%. However, due to the cost reductions implemented during the year the Partnership was able to post a surplus of around £45,000. This was assisted by a continued expansion of the consultancy which also provided opportunities to develop the skills and expertise of staff to reflect the changing demands of the market.
- 3.4. A very constructive customer survey was carried during the year with over 300 responses. Whilst the overall results were very pleasing with 94% rating us as good or very good overall, we did identify improvements that could make home owners in particular more inclusive in the process.
- 3.5. With the success of the Partnership over the first five years Members were keen to see the best practice that had been developed shared with other authorities and have included expansion of the Partnership as one of the objectives over the next five years.
- 3.6. The partnership was reassessed and registered as a quality company under BS EN ISO 9001: 2008 by the British Standards Institute as an external auditor on 22 May 2012.
- 3.7. An audit review was also carried out in June 2012 by Mid Kent Audit on behalf of Swale Borough Council. It concluded that the controls surrounding the building control partnership provided a **substantial** level of assurance overall. This is a testament to the setup and development of the processes agreed through Joint Committee for the operation of the Partnership.

4. NATIONAL & LOCAL DRIVERS

Political

4.1. The Building Regulations and Standards Division within the Department for Communities and Local Government carried out a major building regulations consultation in January 2012. This was looking at suggested alterations to the building control system as well as significant amendments to a number of individual Approved Documents. In order to improve the Local Authority building control process it has been suggested to:

- Make the issue of completion certificates by Local Authorities mandatory and within a specified time period.
- Amend the wording on completion certificates and their equivalents to become evidence, but not conclusive proof, that the works are compliant. This recognises the client responsibility for compliance.
- For Local Authorities to reduce statutory notifications to commencement and completion and introduce a requirement to declare relevant inspection “service plans”.

4.2. There are also proposals to extend the competent person self certification schemes framework and introduce specialist third party certification schemes including the option for developers to use Appointed Persons to manage compliance on construction sites.

4.3. Within existing domestic buildings there are also suggestions that standards for components and services should be increased and an additional requirement to provide Consequential Improvements should be included. Although the level of this improvements is proposed to remain at 10%, to the extent that it is technically, functionally and economically feasible, the amendments are subject to the issue of Green Deal legislation.

Economic

4.4. The UK construction industry worth £100 billion and representing around 6% of total GDP has inevitably been subject to the ongoing affects of the global crises of 2008. After growing by 8% in 2010 and around 2% in 2011 output is forecast by the Construction Products Association to decline by 5% in 2012 and stabilise in 2013 before growing at 4%-5% in 2014 and 2015. Even this is dependent upon a recovery in the private sector and with the underline economic uncertainties at the start of 2012 these forecasts may prove to be optimistic.

4.5. It is expected that any recovery will be heavily led by the private sector, albeit one which is still often beset by project delays and funding difficulties.

4.6. Although there is little sign of growth in the housing sector before 2015 there is an optimistic view of the £5 billion retail market which has an annual expected growth of between 3%-5% over the next few years.

Sociological

4.7. The current population base for the three Councils is around 470,000 people. The trend analysis shows increases in all three areas likely to be 10% over the

next fifteen years. The analysis also shows older people accounting for the largest increase and experience has shown that this will lead to an increase in adaptations to people's homes together with an increase in the expectation of people to be able to purchase lifetime homes. Year on year there has also been an increase in the numbers of applications we have received from disabled customers. With the changes in charges legislation allowing for the same exemption as applies to those applications also being attributed to their carers, these figures will continue to rise. As these applications are exempt from fees they are paid for by the contributions from partner authorities. Details of the increased numbers and costs can be found on page 12.

Technological

4.8. Further improvements to the IT system have been identified which will match the service delivery requirements identified in the Business Plan objectives. An IT strategy has been developed to deliver the procurement of an improved back office system enabling the greater use of mobile technology and allowing customers to track applications and carry out many self service investigations themselves which would assist in lowering our costs.

Legal

4.9. Within the consultation document from the CLG are some significant suggested amendments to the Approved Documents in both their format and technical guidance. The Parts of the Building Regulations specifically targeted are A, B, C, K, L, M, N and P there are also considered changes to the way Access Statements are required in supporting applications and a review within Part M of changing places for people with disabilities.

4.10. The most significant revisions proposed relate to Approved Document L and the proposal includes suggestions for tighter carbon dioxide emission standards for new homes and non-domestic buildings, to take the next step towards "zero carbon" standards, plus tighter performance standards for work to existing buildings. The paper also contains proposals to introduce, on a phased basis, requirements for additional energy efficiency improvements to be carried out when other specified works (eg extensions) are planned and Green Deal finance is available as an option to meet the up front costs.

4.11. There will also be proposals to strengthen enforcement powers and consideration has been given to extending the time limit and increasing the fine limit for non-compliance. In order to improve levels of on-site compliance consideration has been given to introduce a number of new enforcement sanctions including; fixed monetary penalties, variable monetary penalties, compliance notice, restoration notice, stop notice and a voluntary agreement with the Local Authority at the request of the person carrying out the work called enforcement undertakings.

4.12. Local Authorities enforcement powers will remain, but Department for Communities and Local Government (DCLG) are minded that there should be a way for Local Authorities to issue a civil sanction where an Approved Inspector is the building control body and the Approved Inspector has asked the Local Authority to do so.

Environmental

- 4.13. The Partnership has continued to develop its discretionary services through the consultancy and many of these focus on the sustainability issues which directly affect the environment. We have two Code for Sustainable Homes assessors, five people accredited to produce SAPs, and one member of staff able to produce Display Energy Certificates for public buildings.
- 4.14. Not only are we able to help reduce the CO² production of each new or altered building but we also deal with environmental impacts from dangerous structures, demolitions and dilapidated buildings. These can directly affect the amenity of the local area and we regularly give advice on the reduction and re-use of redundant building materials.
- 4.15. A local driver that is extremely important to each of the partner authorities is how the work of the partnership demonstrates delivery on each of their priorities. These are shown in the Service Delivery Documentation (Appendix 1).

5. PERFORMANCE & BENCHMARKING

5.1. Since 2007 the Partnership has taken part in the DCLG's Performance Indicator questionnaire which is based on performance standards for building control bodies both in the public and private sector. This work is carried out by ELJ Consulting, on behalf of the Building Control Performance Standards Advisory Group (BCPSAG), funded by the DCLG. The results provide indicators regarding the performance of building control bodies (BCB's) measured against the National Performance Standards. This benchmarking exercise provides comparative data that should assist BCB's in making improvements in their service. STG's results against each of the seven criteria are shown in Appendix 1, however, the key findings of the analysis are shown below with comments on STG's performance against the criteria.

- The total number of participants in the 2010/11 survey was 85, a fall from the 96 that participated in the 2009/10 survey. As in the previous surveys, there are a few that have left many of the indicators blank.
STG were able to complete all of the indicators.
- There is a continued high level of compliance with the various aspects of best practice service delivery, however only 32% of Building Control Bodies (BCBs) responded 'yes' to all seven questions (BC1- Best Practice Service Delivery).
STG were able to respond positively to six of the seven criteria, however, we were unable to fully comply with 6(i) "Is there a system in place to ensure that client requests are responded to by a case officer within a reasonable time frame" which we will address through our QA system.
- The proportion of schemes that receive a formal written consultation with the Fire & Rescue Authority varies widely, much the same in previous reports. As for last year, in general there is a high level of satisfaction from the Fire & Rescue Authority (BC2- Consultation with the Fire Authority).
Of the 152 sample cases discussed with the fire authority they confirm 100% satisfaction with the effectiveness of the timely consultation which contained all the relevant information for discussion.
- The proportion of staff that is qualified and experienced varies, as it does in previous reports. The spread is largely similar to last years' results, however this year 3 BCBs reported a qualified and experienced staff percentage of 0-20%. In the 2009/10 survey there were zero BCBs with 0-20% (BC3- Qualified and Experienced Staff as a Percentage of the Total Staff Employed by the BCB).
The percentage of qualified and experienced staff was 37%, however, this included the technical administration group and when examining the surveyors group independently the percentage increased to 60%.
- On average, qualified and experienced members of staff received 37.0 hours of training per year, and non-qualified staff 26.7 hours (BC4- Staff Development). This is a large decrease compared to 2009/10.
The average number of hours of relevant training for qualified and experienced staff matched the national average of 37 hours, however, non-qualified staff including technical administration only averaged 14 hours.

- For non-domestic schemes, Building Control Bodies in general spend less time on-site than they planned, much the same as all three previous reports found. For domestic schemes, the case was the same for both new dwellings, and alterations and extensions. (BC5- Onsite Input)
The time spent on both non-domestic and domestic schemes was broadly coincident to that which had been planned; this is an improved position on the national average.
- 69% of the Building Control Bodies had issued completion certificates for 100% of the projects that had been completed (BC6- Ensuring Compliance).
Of the 2284 projects completed STG were able to issue final completion certificates on each one which is an improved position on the 69% national average.
- While both the domestic and non-domestic survey response rates were quite low, the customer satisfaction is very high for both. Customers were on average over 98% satisfied on every aspect, save “added value to the finished product” in the domestic survey where average satisfaction was 94% which is still very high. (BC7- Customer Satisfaction).
With only a low response to the non-domestic customer questionnaire there was inadequate data to formulate a response. However, the 98% “fairly and very satisfied” responses to the domestic market questionnaire met the national average with “added value” 91% falling just short of the national average. A general comment made by respondents in respect of the last question was that they did not understand its relevance and were not able to comment.
- Although it cannot be conclusive, comparison of responses across the last three years’ reports shows that the performance of BCBs has remained fairly constant in all of the indicators, improved in a few areas and deteriorated in a couple of areas, the most outstanding being the number of hours training provided to non-qualified staff.

5.2. As an outcome from this benchmarking exercise we need to focus on two main areas. Firstly to put mechanisms in place to ensure a timely response to requests by the case officer and secondly to ensure the average hours of relevant training for non-qualified staff are increased to at least the national average. This will be dealt with through our PDR process.

5.3. Although not mandatory the CLG have “strongly recommended” this industry initiative which should be adopted by both Local Authority Building Control (LABC) and Approved Inspectors.

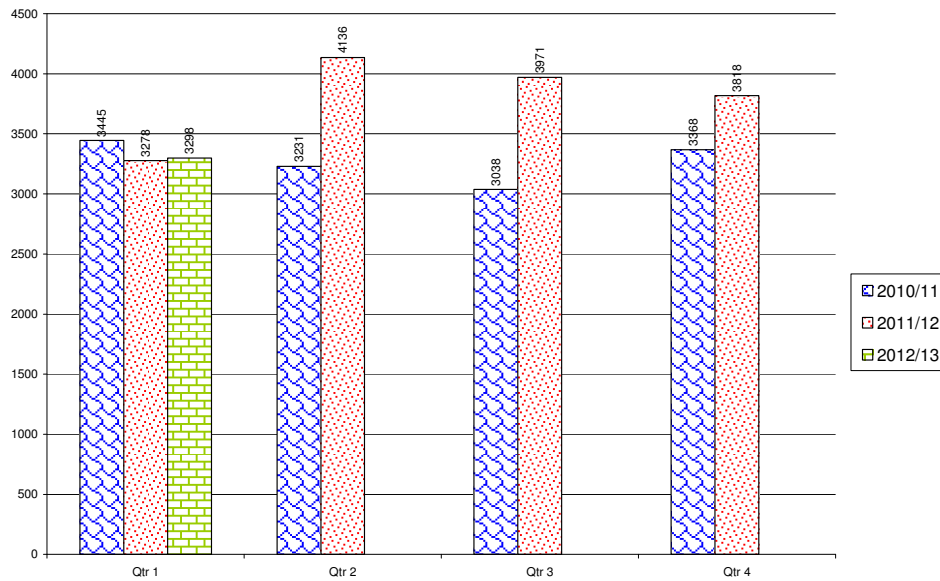
5.4. The LABC position is that it fully supports the building control performance standards and the seven performance indicators that support them. They also encourage each local authority to set local performance indicators which would achieve a national standard in for example, application acknowledgement, plan vetting, determinations (within 5 weeks or 2 months) and completion certificates which are shown on page 10 and are published on our website.

	% plans checked within 15 days	% plans checked within 10 days	% determined within 5 weeks /or 2 months	No of PCI's	% completion certificates sent within 5 days of completion	Reg & Acknow within 3 days	% LC Searches - Medway within 3 days	% LC Searches - Swale within 3 days	HIPs - within 10 working days
2010-11	Target 85%	Target 70%	Target 95%		Target 95%	Target 95%	Target 95%	Target 95%	Target 95%
Q1	87.89%	70.70%	98.32%	n/a	59.89%	81.73%	100.00%	99.70%	90.63%
Q2	85.81%	64.19%	100.00%	n/a	73.39%	80.41%	100.00%	100.00%	69.37%
Q3	84.50%	68.42%	99.53%	33	71.79%	86.85%	100.00%	100.00%	96.72%
Q4	88.69%	77.37%	99.26%	65	97.12%	99.65%	100.00%	100.00%	100.00%
2011-12	Target 85%	Target 70%	Target 95%		Target 95%	Target 95%	Target 95%	Target 95%	Target 95%
Q1	88.85%	53.38%	90.79%	25	99.10%	88.82%	100.00%	99.66%	91.78%
Q2	88.34%	71.43%	99.47%	377	98.48%	97.54%	100.00%	100.00%	92.78%
Q3	90.79%	70.39%	100.00%	319	99.32%	99.71%	100.00%	100.00%	100.00%
Q4	96.63%	75.96%	100.00%	411	100.00%	95.22%	100.00%	100.00%	100.00%
2012-13	Target 85%	Target 70%	Target 95%		Target 95%	Target 95%	Target 95%	Target 95%	Target 95%
Q1	91.45%	69.14%	*	203	99.66%	99.80%	100.00%	100.00%	100.00%
Q2									
Q3									
Q4									

* unable to provide data until 8 weeks following quarter end

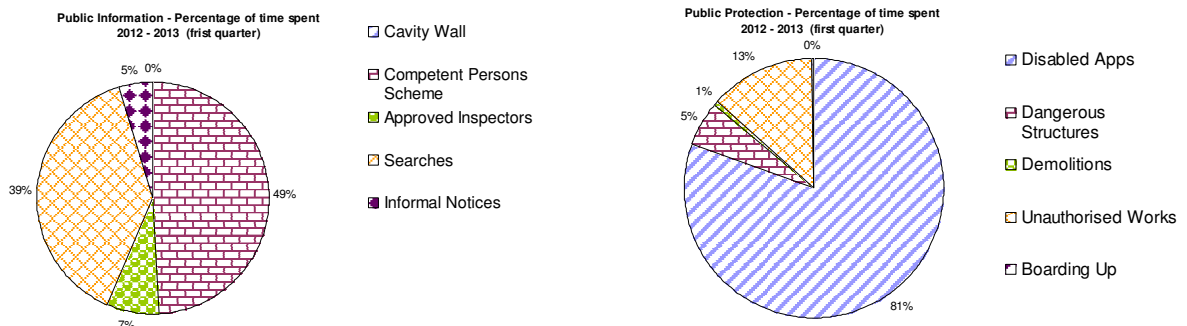
- 5.5. In conjunction with the objectives in the business plan there will be a move to a function based model which matches resources against income for the three services referred to earlier but this is not likely to be implemented until 2014/15.
- 5.6. The inspection service was one of the most valued aspects of local authority building control. An inspection notification framework is issued with each project and it is often added to as the surveyor determines additional inspections which will inevitably arise. Again through the customer survey results it is evident that the majority of builders and developers welcome the frequency of visits and the ability to request a visit for advice. By operating improved working practices we are able to maintain over 3,000 inspections per quarter.

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



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

5.8. The charts below show comparisons of the time spent on non-fee earning work through public protection and information and inspection (currently first quarter details only available).



- **Disabled person applications**

With the extension to carers of the exemption to pay fees on building control applications it was not surprising to see a rise in the numbers of applications claiming exemption through the new charges legislation. However with grant funding still available the number of these types of applications has continued to increase through 2012/13. The estimated value of income lost through this criteria is around £251k since March 2008 (as at 30 June 2012), and the cost to the partnership is much greater in officer time as the time spent on inspections of these applications increases due to the necessity for increase customer contact to meet customer expectation.

- **Dangerous structures**

There were 119 reported dangerous structures in 2011/12 with a further 178 being monitored from previous years. Unfortunately there are many structures which although in a state of disrepair are not so dangerous as to require us to serve either a Section 77 or 78 (emergency measures) Notice on the owner. These remain the responsibility of the owner and it is for them to take remedial action. However, most of this type of preventative repair is not covered by insurance and is also very expensive to fund with the consequence that the structure remains unaltered until it deteriorates to such an extent that we need to serve a notice. The possibility then exists that if no funds are forthcoming the owner declines to do anything and the council have to step in to remedy the situation. We will carry out the minimum work necessary to remove the danger but cannot carry out full repairs or remedial works. The cost of the minimum work carried out is often then put as a charge on the property.

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

- **Demolitions**

27 demolitions were inspected varying in size and impact on the local community in 2011/12. A number of inspections were required for each of these sites in order to make sure the demolition is carried out in accordance with Building Act requirements and that such things as drains and sewers were properly sealed. Currently the partnership is still monitoring 97 of the demolitions submitted in previous years which are either still ongoing or awaiting commencement. Liaison with the Health and Safety Executive is very important as the method of demolition is controlled under their legislation.

- **Unauthorised works**

191 unauthorised works were inspected in 2011/12 either as a direct result of complaints from the community or through the intervention of officers investigating works which they had discovered in carrying out a general site inspection. Currently the partnership is pursuing a further 160 cases of which 112 are currently recorded on Land Charges. Where possible many of the unauthorised works are converted to regularisation applications which generated additional income. Throughout 2012/13 officers from STG have vigorously pursued unauthorised work so as to reduce the burden on customers of illegal works and rogue traders. It remains the responsibility of the owner to ensure their property complies with the building regulations and whilst every effort is made to negotiate a way forward there are provisions within the Building Act to prosecute the builder and serve notice on the owner to ensure works comply.

- **Competent person schemes**

Members of these schemes are considered competent to self certify that their work complies with the relevant requirements and are used for installations such as new boilers, replacement windows and domestic electrical works. These place a heavy administrative burden on the Partnership as each installation needs to be recorded and the various scheme operators use a variety of systems to transfer data. In 2011/12 there were 24,687 notifications reported. A revised schedule of competent persons now includes roofing contractors and flat roof specialists.

- **Approved Inspectors**

It is a legal requirement to record each Initial Notice submitted by an approved inspector and to make this available to the public. There were 331 Initial Notices deposited in 2011/12 and each one was required to be checked against the approved inspector legislation to ensure validation and was required to be acknowledged within five working days.

- **Pre-application advice**

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

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

5.10. Since its inception the consultancy has been steadily growing to encompass services to both external and internal customers. With the advent of the Localism Act the Partnership will be exploring further avenues to generate additional income.

5.11. Members have been encouraged by the development of the consultancy and will be examining a business case to develop this area into a Local Authority Company over the next 5 years.

6. STAKEHOLDER EXPECTATIONS

- 6.1. One of the most difficult aspects of research we have found is trying to obtain feedback from customers. For most people, as owner/occupiers they only become involved with the building control process once or twice in their lives. Therefore they seldom respond to a questionnaire. On the other hand the agents they use are very familiar with the building control process and the personnel from various councils in their area and as such do not feel the need to engage in customer surveys. Lastly the larger developers may only deal infrequently with a particular building control body and have quite complicated structures with regards to contracting and subcontracting work. It is often quite difficult to determine the best person to respond to questionnaires about the process and again this has resulted in a very poor response.
- 6.2. Whilst we do get feedback from our partners at focus groups and forums following the seminars that we hold, we have to recognise that there are large groups in our customer profile where we have not benefitted from responses.
- 6.3. The intensive customer survey carried out in 2011 highlighted that owners felt detached from the service with little communication between themselves and our officers taking place. The customer survey carried out in 2012 was specifically aimed at owners to establish whether they felt the same following the service improvements initiated.
- 6.4. Commencement packs and officers engaging more with owners has seen an improvement. 86% to 96% of customers felt they received a Good to Excellent service. The ability to speak direct with staff that are knowledgeable with excellent attitudes features high with customers with 72% feeling that they have received this during their build.
- 6.5. With 87% taking away an overall excellent impression of the service we still need to improve. In 2012 we have produced a domestic development guide which covers extensions, alterations and conversions and includes helpful guidance. To achieve maximum coverage an E-Book has been produced which has been appended to all staff's email signatures and is available in both hard copy and electronic format from our website.
- 6.6. The quality of the service, as always, features as the most important to customers and we will be continuing to strive to improve our delivery further. Incorporated into our IT development strategy are features from both surveys that customers felt important. Technological advancements that will improve the efficiency of our site inspections and interaction with customers, such as mobile working and notification of site inspection by text.

7. VISION, OBJECTIVES & KPI'S

7.1. Vision

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

7.2. Objectives for 2012-2017

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

7.3. Key projects for 2013/14

- Enable customer self-service for tracking and searches
- Increase use of mobile technology with the ability to update in real-time
- Increase income from consultancy services by 70% over the 2012/13 budgeted figure
- Re-examine case for consultancy becoming a Local Authority Company
- Examine case for STG becoming a Local Authority Company
- Further expansion of the Partnership with the inclusion of new partner authority
- Identify new accommodation for the Partnership head office

7.4. National and local key performance indicators

National key performance indicators are more easily achieved because we have the controls to ensure they are delivered on, eg:

- 70% of plans checked within 10 working days

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

Local key performance indicators are outside of our control and very dependent on the recovery of the economy eg:

- The percentage of site visits which produced advice and guidance to the customer that prevented a breach of the Building Regulations
- Income against target
- Market share to increase within commercial sector by 5% on 2012/13 figures
- To increase response rate from customers satisfaction surveys particularly through web access
- Increase enforcement activity to ensure protection of the public and reduce impact of “rogue builders” within the domestic market

8. FINANCE AND RESOURCES

- 8.1. In order to meet the timetable required by the Constitution the first draft of the Business Plan is required to be presented to Joint Committee in September 2012. The financial plan on page 19 has been amended to take into account any known pressures and savings over the next five years up to and including 2016/17. This will allow partner authorities to show their contribution commitment over the next five years in their budget planning forecasts.
- 8.2. The reduction in the amount of contribution will equate to 18.15% over the life of the Business Plan. The budgets have been built on the basis of a reduction in non-chargeable work from 25% in 2012/13 to 23% in 2013/14, 21% in 2014/15, 20.5% in 2015/16 and 20% in 2016/17. A review will take place each year to ensure these savings are on track and to deal with any unexpected pressures or gains which may be identified. The new draft incorporates a recognised decrease in premises costs due to the fact that in 2015/16 the lease of the current accommodation ends. With the advancement of mobile working and a reduced requirement for office space there will be an expected reduction of 15% in premises costs.
- 8.3. In 2010 a Value for Money exercise was carried out by Gravesham Borough Council which proved that the Partnership continued to deliver cost savings against the service had it remained in house. A further audit was carried out by Swale Borough Council in June 2012 which came to the same conclusion and stated that the controls surrounding the building control partnership provide a substantial level of assurance overall.
- 8.4. The total contributions will have reduced by £60,000 between 2012 and March 2017.

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

	<u>2012/13</u> <u>Budget</u>	<u>2013/14</u> <u>Budget</u>	<u>2014/15</u> <u>Budget</u>	<u>2015/16</u> <u>Budget</u>	<u>2016/17</u> <u>Budget</u>
Staffing	1,093,010	1,108,773	1,129,538	1,145,138	1,158,543
Premises	102,346	102,532	102,532	87,194	87,194
Transport	48,580	46,580	46,580	46,580	46,580
Supplies and Services	104,942	108,030	108,030	108,030	108,030
Support Services	58,210	58,210	58,210	58,210	58,210
Total Cost:	1,407,088	1,424,125	1,444,890	1,445,152	1,458,557
Contributions	-351,772	-327,549	-303,427	-296,256	-291,711
Fee Income	-1,102,052	-1,118,453	-1,154,500	-1,164,500	-1,184,500
Total Income	-1,453,824	-1,446,002	-1,457,927	-1,460,756	-1,476,211
Net (surplus) / deficit	-46,736	-21,877	-13,037	-15,604	-17,654

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

Fee Earning 73%					
Non Fee Earning 27%					
Authority And Agreed Percentage	<u>2012/13</u> <u>Budget</u>	<u>2013/14</u> <u>Budget</u>	<u>2014/15</u> <u>Budget</u>	<u>2015/16</u> <u>Budget</u>	<u>2016/17</u> <u>Budget</u>
Gravesham 20%	70,354	65,510	60,685	59,251	58,342
Swale 27%	94,978	88,438	81,925	79,989	78,762
Medway 53%	186,439	173,601	160,816	157,016	154,607
	351,772	327,549	303,427	296,256	291,711

9. WORKFORCE PLANNING AND ORGANISATIONAL CHANGE

- 9.1. Signs of any recovery in the construction industry remain far off with predictions of a slow return to growth around 2014/15. It is predicted that activity at that time will have recovered to where it was in 2010. The Partnership has shown great resilience in combating the pressures of the economy by diversifying its workforce. This has to be maintained to ensure a continued delivery of high quality services and value for money for each partner authority.
- 9.2. Income streams, therefore, have to be set at realistic levels and there will be continued pressure on the building regulation charging account until the economy recovers. Some of the pressure this puts on a balanced budget can be relieved by driving down running costs and this has been applied to the budget over the next five years and is included in the previous section under financial planning. Opportunities exist to further mitigate this pressure by increasing income from other areas and this process has been assisted by the advent of the Localism Act which lifts some of the barriers previously in place on Local Authorities.
- 9.3. The Partnerships approach has to apply some of both philosophies in order to generate a balanced budget whilst reducing partner contributions over the five year period. The improvements to IT over the next two years allowing customers to carry out searches online, track their applications and review inspections for their site will inevitably reduce the amount of customer transactions required through the technical administration team. Since 2007 this team has reduced in capacity by 30% and is now configured to support and generate income streams in its own right. However, work will continue over the next two years to further diversify roles and there are actions within the delivery plan to accommodate staff members as qualified SAP assessors. A secondment to a new enforcement team and staff trained to carry out inspections on many disabled person applications.
- 9.4. The introduction of mobile working will allow for much greater flexibility in the surveyors inspection service. Over the next two years surveyors will be able to see their daily workload on their tablet at the beginning of the day, go directly to site from home, view plans electronically and maintain their site inspection records updating the back office system in 'real time'. This will reduce staff time on site, enable greater numbers of inspections to be carried out and deal with enquiries including dangerous structures, demolitions and unauthorised works at the point of origin. This increased performance for the surveyors will help to accommodate a reduction in numbers allocated to the building regulation charging account.
- 9.5. There are actions included in the delivery plan which will realign staff resources with the income generate from that function. We currently have three income streams; the building regulation charging account, the public protection account (paid for by partner contributions) and the consultancy account. In the past we tried to allocate staff to these various functions but this proved unworkable due to resource implications at the time. With the advent of true mobile working this more efficient way of resourcing will be able to be planned and adopted. As all

services are very much demand driven this will still rely on the flexibility built into the group but will allow to improve services and generate additional income.

10. Conclusion

- 10.1. The first five years have been challenging in respect of the economic situation and the slow recovery in the construction industry. The Partnership has shown over this first term how its flexible approach has been able to mitigate much of the financial pressures it has faced whilst maintaining an excellent services to customers.
- 10.2. The next five years will be equally as challenging but with the assurance of continued improvement as we see the benefits of the IT investment come into fruition and the consolidation of alternative services which help to both develop staff and generate additional income streams.
- 10.3. The feedback from stakeholders has been invaluable in shaping how the Partnership will look in the future and how it will meet the expectations of its customers. There is the possibility of expansion, so as to include new authorities and new staff with additional skills. We will need to move to a new headquarters building in 2015 where location, accessibility and cost will be paramount concerns and we will develop a consultancy into a Local Authority Company with a wider range of services and new employment possibilities. The next 5 years will be both challenging and rewarding for all those involved in the STGBC partnership.