SOUTH THAMES GATEWAY BUILDING CONTROL PARTNERSHIP

Foreword

The STG Partnership (involving Swale, Gravesham and Medway Councils) is now successfully providing excellent ISO9000 accredited building control services within a large area of north Kent and I was delighted to attend its launch on 1 October 2007.

STG's excellent staff and its extensive knowledge, experience, integrity and professionalism will enable it to provide valuable support to the regeneration of the north Kent area of the Thames Gateway.

These are exciting times for Building Control and for the Thames Gateway and the STG Partnership is in an excellent position to benefit from the many development projects going ahead in the area.

Councillor Jane Chitty
Chairman
STG Building Control Partnership Joint Committee

SOUTH THAMES GATEWAY BUILDING CONTROL PARTNERSHIP

Draft Business Plan 2008/2009

1. INTRODUCTION

1.1 The Plans Purpose

The South Thames Gateway Building Control Partnership's Business Plan explains how, under the direction of the South Thames Gateway Building Control Joint Committee, will continue to deliver a first class building control service for Gravesham, Medway and Swale whilst expanding its share of the market and retaining the highest calibre staff to do so.

This business plan covers the first full financial year running from 1 April 2008 – 31 March 2009.

Mission Statement

Delivering a quality building control service to clients and Partners.

1.2 Overview

The Partnership was formed as a response to the huge investment in the regeneration programme for North Kent. It was recognised that to be sustainable in the face of growing competition for both work and staff a larger unit would be more flexible and able to cope with the fluctuations of the construction industry.

Since its launch on 1 October 2007, the Partnership has had to deal with a number of challenges in setting up the operation. Data transfer between systems, correspondence generation and resourcing the increased telephone traffic has proved more difficult than expected, but all staff have responded magnificently to ensure customers are not put to any disadvantage and receive a high quality service.

The benefits of using a software provider with a good track record in after sales service has been a major factor in being able to resolve issues quickly, and the excellent cooperation of cross-council linking that proved to be so valuable in the delivery of the project has continued into the post launch phase.

The next year is an exciting prospect as we consolidate our position in the marketplace, identify areas of expansion and reap the benefits of a larger resource to meet the demands of customers for quicker plan vetting and same day inspection.

1.3 Objectives

We have a number of objectives to ensure the Partnership remains customer focussed, continues to improve its service and retains experienced and suitably qualified staff. STG is already delivering an improved service through changes in operation, guaranteeing same day visits notified before 10am and early morning and late afternoon calls. Delivery on all of these was not possible as smaller units. Over the next year we will be inviting customer comments via surveys, focus groups and feedback forms, and will implement changes to meet their expectations. Our objectives in no particular order will be:

- To use STG as an example of good practice for partnership working within local authorities, and to promote our use as a consultant should other groups or authorities wish to follow the same line.
- Provide an efficient, accessible, cost effective and consistent building control service to the partner local authorities
- Increase market share of building control work.

- Meet customer needs and expectations.
- Develop STG into a cohesive team.
- Be more effective at marketing and increase market share of Schedule 1 (Housing) & Schedule 3 (Commercial / Industrial).
- Improve consistency of advice and interpretation of legislation for customers.
- Provide better career and development opportunities for staff.
- To reduce contributions of each partner local authority through their support of non-fee earning work.

The Partnership offers a number of advantages using increased staff resources to meet fluctuations in customer demand. There is the potential for far greater consistency of approach across the area using the skills, expertise and experience of over 400 combined years in building control of STG staff.

Of course there is the potential to lose work because a client has had a particularly difficult path through the planning process, or the private sector offer greatly reduced fees as a loss leader to win work. However, we must make use of our local authority connections by developing the Development Team Approach and One Stop Shop. Improvements in the use of IT and mobile communications offer even wider scope to improve the service to the end user.

Increased competition from the growing number of Approved Inspectors is always a threat and the potential market in the Thames Gateway area has increased since the Olympic bid's success. It is even more important that we do not lose contact with colleagues in other parts of the three councils or other parts of the construction industry. We must develop key account holders to win major works in the large companies in the area.

A SWOT analysis is shown in Appendix 1, indicating where the advantages lay and where pressures exist.

2. SERVICES AND MARKETING

2.1 Services Provided

Building Control (Regulatory Service)

The Partnership will provide for the customers of the three Authorities a Building Control plan checking and site inspection service, ensuring that construction works submitted for approval meet the requirements of the Building Regulations.

This work is a statutory requirement for local authorities in accordance with Sections 91 and 92 of the Building Act 1984 and is required to be self financing over three year periods.

Although a statutory duty, the local authorities building control service is in direct competition with the private sector. The expertise offered by the Partnership will ensure that :

- Rapid plan checks are provided.
- Excellent local knowledge.
- Early advice is given to avoid abortive work.
- Fire Authority negotiations take place to obtain best possible solutions for the customer.
- There is consistent interpretation of the regulations throughout the three authorities.
- One point of contact for all application advice.
- Competitive fees are maintained to ensure maximum income.
- We supply key account holders for major companies and partners.
- Same day site inspections are guaranteed on requests received before 10.00 am.
  (Statutory requirements range from 24 hours to 7 days)

The enforcement of the regulations will be in accordance with the enforcement concordat, ensuring that illegal works are corrected and where legal action is proposed the appropriate measures are taken. Where fees are relevant they will be collected and recorded in the fee earning account.

There is also a statutory requirement to administer the following services, which the Partnership will undertake responsibility for delivery in accordance with agreed service level agreements, to be developed in the first year with each authority, and are paid for out of Council contributions.

- Disabled person applications.
- Approved Inspector register.
- Enforcement.
- Competent person scheme registers.
- Safety at Sports Grounds.
- Enquiries from the public.
- Fire Service liaison.
- Dangerous Structures.
- Demolitions.
- Emergency Planning.
- Licensing liaison.

Optional Services that are also paid for from Council subsidies

- Access advice including disability Discrimination Act compliance.
- Information to allow housing grants to be paid.
- Advice on entertainment licensing/ public events / structures.

Included in Appendix 2 is a list of statutory services which STG will either deliver or influence for and on behalf of the partnership authorities.

Services that have been negotiated subject to an SLA,

- Land searches (Con 29 form information)

2.2 Customer Requirements

The Partnership's customers and stakeholders are wide ranging, including the residents of Gravesham, Medway and Swale, visitors, developers and their agents, commercial, business interests and employers, consultees (including statutory undertakers and public regulatory bodies) Communities and Local Government, Councillors and members of the Joint Committee and departments within each of the Partnership Councils.

We will meet our customers' needs by :

- Providing a consistent quality service.
- Asking applicants for their views on the service provided
- Responding to requests and queries quickly and efficiently.
- Holding focus group meetings with a cross section of the construction industry.
- Presenting seminars on changes to the legislation and trade updates.
- Produce advice sheets / leaflets on good working practices and regulation updates.
- Using the website for electronic submission, information, updates and feedback from customers.
- Reviewing service delivery on a regular basis.

The Partnership will bring changes to management and local authority staff culture, placing a greater emphasis on the client/service/customer relationship and increase the independence of the service to function as a business. The Partnership will present local authority building control in an innovative way, by taking the service to customers through the marketing strategy, requiring input from each member of staff.

2.3 **Markets – Present and Proposed**

The partnership is situated in a growing and thriving part of North Kent as endorsed both by the policies in the Kent and Medway Structure Plan and individual plans. As part of the Thames Gateway, the area has a major regeneration agenda, including the development of 40,000 homes over the next 20 years. This will enable the Partnership to maintain its market share of building work and income.

See Appendix 5 for South Thames Gateway geographic area.

The present market consists of delivering the core and agreed additional building control services for the authorities in the Partnership.

Each authority has brought to the Partnership an existing well established market share generating a healthy fee earning account. Pressure will be on the Partnership to build market share and gain new contracts.

The building control market is divided into three arms, Residential, which comprises new housing and mixed development sites, Domestic, which includes extensions, loft conversions, garages and some internal alterations and Commercial, including industrial, educational, recreational and retail buildings. The latter is the most lucrative and therefore the most competitive of the markets. We need to capture some work in this area in order to reduce the impact of Approved Inspectors in our area.

Residential

- This accounts for approximately 13% of our present income (around £150K)
- Potential 11,600 new dwellings (Kent and Medway structure plan) within the partnership area between 2006 –12 not including windfall sites.
- Difficult market due to predominance of National House Building Council warranty scheme and road bonds. However, the new Local Authority Building Control house warranty scheme launched this year may offer suitable alternative for house builders to come back to local authority building control.

Domestic

- This accounts for approximately 45% of present income
- More Approved Inspectors have moved into this market in the last year. In particular, specialist companies such as loft conversions and garage conversions, have been targeted by Approved Inspectors.
- To combat this we will actively pursue Partnerships, through the Local Authority Building Control partnership scheme, with private practices and companies.

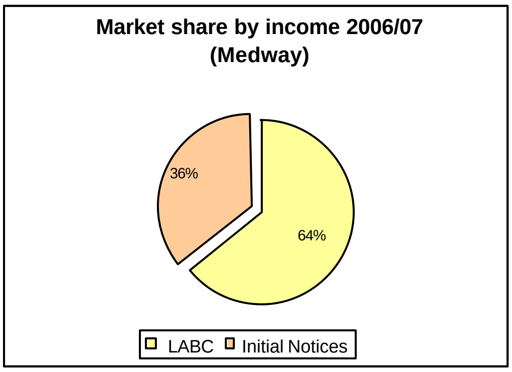
Commercial

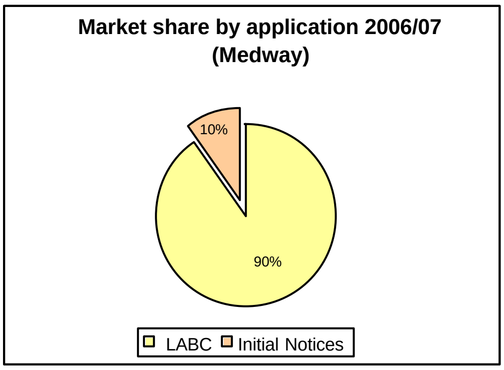
- This accounts for approximately 42% of present income.
- The most lucrative market and therefore the most competitive. Vigorous marketing is required to maintain and develop this sector. Leads taken from the Planning list, Planning and Local Plan colleagues are followed up by personal visit, telephone calls and introductory letter with brochure.

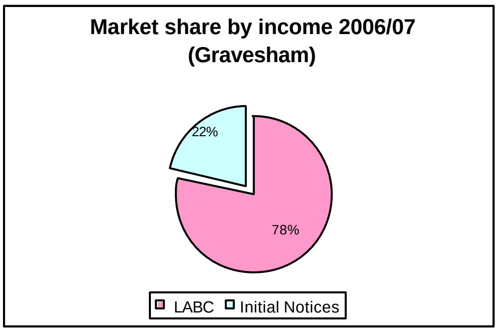
The following charts show the market share for each Council of both applications and income for 2006/7. Whilst the number of Initial Notices deposited by Approved Inspectors (AIs) remain quite small, the value of that work to a building control body is not proportionate. The AIs target the commercial and residential areas and certainly in respect of the commercial sector that is where the greatest income can be generated.

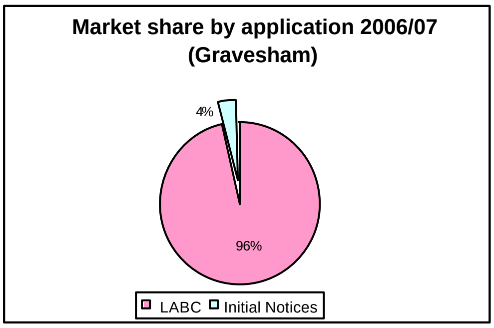
If we look at the picture over the whole STG area we can see that whilst only 8% of applications are submitted by AIs, this equates to 29% of the value of potential income

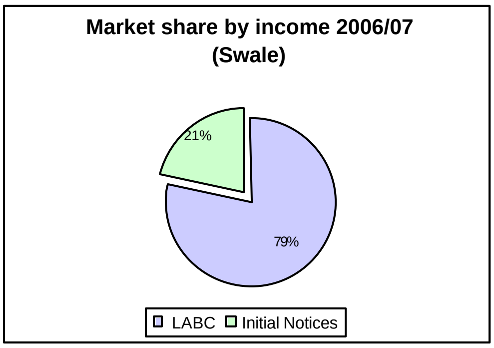
Within the priorities for STG we will be looking to increase market share by 3% in the first six months (April to September 2008), and by 5% by March 2009.

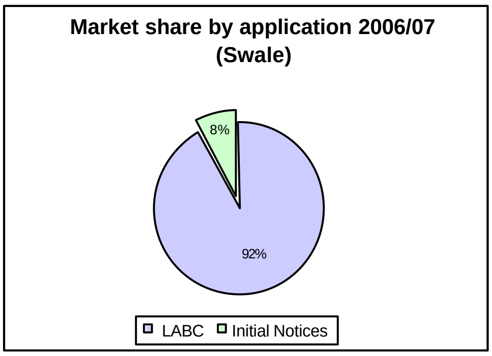


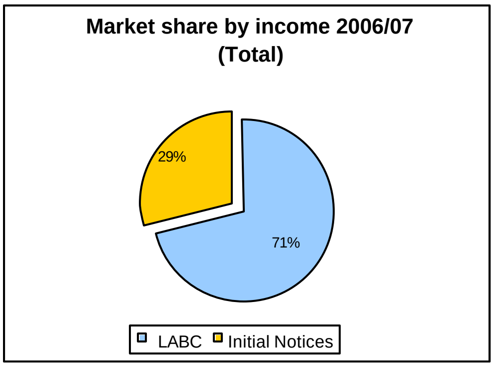


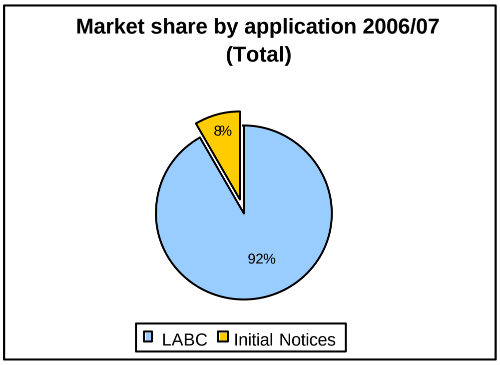








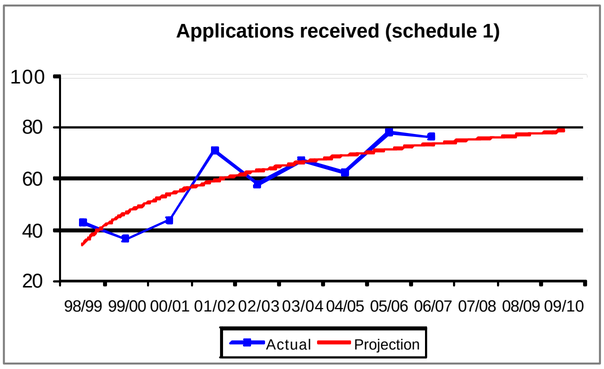


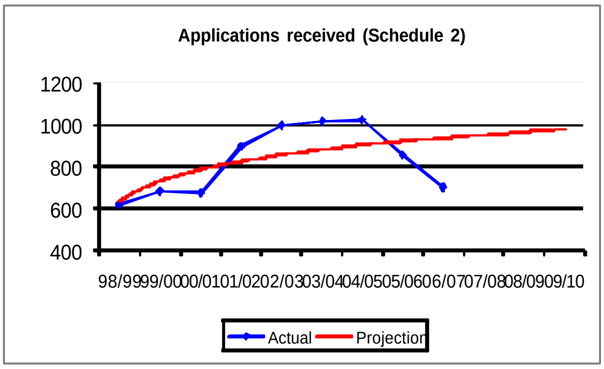


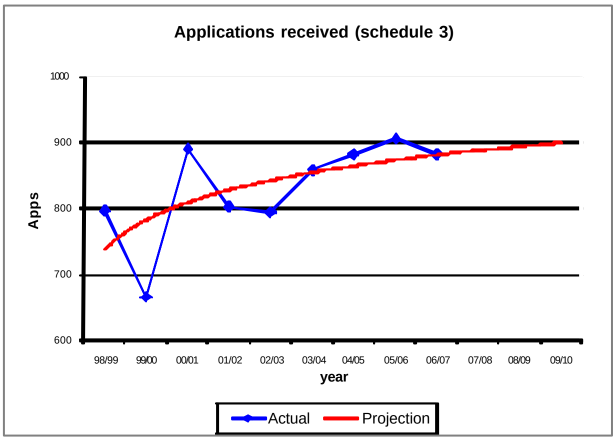
Whilst the numbers of applications are not coincident with market share because of differences in fee schedules, it will be the Partnerships aim to increase income by 5% in the first year.

Data for STG will include quarterly reports on market share both in relation to applications and income.

The following charts show the projected trends over the three fee schedules, these were from Medway's perspective, as data is not available from the other two authorities. However, it is felt this is a reflection of workload across Kent.







Interestingly, it is Schedule 2 work, the extensions, loft conversions, etc, which has shown the most negative trend away from the median. Whilst fluctuations in this sector are expected as they quickly reflect economic trends, there are signs, from examining the number of planning applications for domestic work, that work in this sector has reached a plateau and is beginning to recover. Predictions are based on a slight recovery.

2.4 Marketing Opportunities

As a larger organisation we have a number of opportunities that present themselves. One way of generating a sustained income from an architectural practice is to partner with them. Both the number and size of partners can increase because of the size of STG. Our aim over the next year will be to partner a regional or national company, which would introduce a number of large applications with appropriate fees to be plan vetted by STG, irrespective of where the project was to be built in the country.

We also have a number of very experienced and multi skilled surveyors who, with further specialist training, could develop a consultancy service to support the industry through the plethora of confused technical requirements relating to sustainability, energy loss, carbon indexing, as well as designed foundation and means of escape issues. A consultancy would also be able to sell services to other authorities such as a plan checking, inspection or interim management, again using the skills available to generate additional income for STG. Below is a list of opportunities that are available to the Partnership which were not feasible as individual units.

- The three authorities only have two partner architectural practices signed up for the Partner Authority Scheme. Two more have applied since its launch and we are in discussion with several others, including regional companies Cornford Construction Limited of Surrey and Bullivent Piling.
- Invite other local authorities to join the Partnership or to sell our expertise in going through the process as a consultant.
- Form partnerships with the private sector on Public Finance Initiative bid and design and build contracts, in particular with the “Building Schools for the Future” programme.
- Form partnerships with the National Health Service and Primary Care Trusts.
- Generate income from Service Level Agreements with land charges for replying to Land Charges CON29 search enquiries.
- Develop a consultancy to utilise the skills and expertise of staff to generate income from plan checking for other authorities, carrying out Simplified Building Energy Model calculations as well as Standard Assessment Procedure calculations for clients.
- Identify major developments such as Power Stations, Liquid Natural Gas works, and development of Eurolink.
- Identify unauthorised works to generate additional Regularisation applications, which carry a 20% additional fee.
- With officers seconded to STG from the Fire and Rescue Service there are opportunities to identify unauthorised works in commercial and industrial buildings where visits are undertaken under the Regulatory Reform Order 2005.

2.5 Priorities

The opportunities and objectives outlined in the business plan have been refined into the following table. The priorities will form the basis of achieving improvements in the service, ensure additional income for the Partnership and reflect customer expectation through the coming year.

PRIORITIES					
Objective	**Action**	**Milestone**	**Support from**	**Ownership**	**RAG**
Improve customer liaison.	Identify gaps in service from customer questionnaires, Carry out joint seminars, arrange focus groups, Carry out personal visits to clients.	Range of seminars arranged by May 08. Focus group arranged for Sep 08.	Products manufacturer's, professional organisations	TVV	G
Increase market share of commercial/industrial sector.	Identify key developments from retail/employment plans of Kent & Medway Structure Plan; interrogate planning lists, use key account holders with major players – ensure regular contact. Introduce Quality Awards. Offer Warranty Scheme Latest Gold.	3% increase in market share value by end Sept 08. 5% increase in market share value by March 09. Quality Award Ceremony Nov 09.	Local plans Local Development Framework, Gravesham, Swale, Medway, KCC, LABC	Marketing Surveyor	G
Increase market share of housing sector.	Identify key developments from Housing Plans of Kent and Medway Structure Plan, interrogate planning lists. Offer National Partnering Type Approvals. Introduce Quality Awards. Offer Warranty scheme.	Partner medium/large residential developers by end Sept 08. Quality Award Ceremony Nov 09.	Local plans Local Development Framework, Gravesham, Swale, Medway, KCC,	Marketing Surveyor	G
Improve consistency of advice and interpretation of requirements.	Use technical meetings to examine interpretation of regulations and methodology on site. Policy document to reinforce decisions and implement across the three authorities.	STG policy document on interpretation available Aug 08.	Professional organisations, other LA's, DCLG	PH	G
Develop consultancy arm of STG	Identify existing skills/expertise within group. Identify saleable services to other authorities and private sector target training for marketable services.	Offer plan checking service to other authorities by May 08. Specialist training in EPC, SAP, SBEM by Oct 08.	Legal, other LA's, outside training bodies.	TVV	G
Develop training schedules for staff.	Identify and form small training and development team. PDR's, identify training needs. Explore opportunities for in-house seminars, internal briefings, external course, information sharing, development of training matrix and CPD log.	All PDR's to be completed May 08. Training matrix by June 08. Training schedule implemented by July 08. All training needs met March 08.	Management teams, Training & Development team. Product manufacturers. Professional bodies.	Chair of Training & Development team	G
Website development	Revisit website to ensure customer friendly. Redesign where necessary to ensure easy access to most used areas. Ensure case histories are included from each area. Create website team, web publisher and web coordinator.	Web team set up by end April 08. Identify areas for improvement end May 08. First revision by end Nov 08.	Web team. IT support team. Alpha 2 Omega	Web coordinator	G

3. FINANCIAL ARRANGEMENTS

Below is the forecasted budget for April 2008 – March 2009, the summary figures have been calculated on the following basis.

- The financial year 08/09 takes into account the last six months of STG's first full year of operation and the first six months of its second year. This is significant in this budget forecast as support services are maintained at zero each for April 08 – Sept 08.

- The second six months Oct 08 – March 09 reflects estimates of 50% of the total yearly costs of SLA's with HR, Legal, ICT and Finance support. The SLA's will be negotiated through the first year of operation when evidence can be collected of actual usage of these services.

- Services will be purchased from the most appropriate supplier from any of the authorities, based on cost, reliability and necessity and, where appropriate, could be purchased externally, eg auditing.

- The council contributions vary on a six month basis, as the first six months continues to follow the agreed formula from the first full year, and the second six months is split on the agreed proportions, 53% Medway, 27% Swale, 20% Gravesham.

- An explanation of how the Council contributions were calculated is included below.

The first year's contributions are based on net direct costs that each partner would have incurred had the partnership not been formed.

Contributions April 08 – September 08 is calculated on current cost based on

- Forecast salary cost for transferring staff 2007-2008
  plus average running costs (not including support costs) 2005/2006 and 2006/2007
  less average income 2005/2006 and 2006/2007

Equals

Contribution for year 1

Gravesham	£15,644
Medway	£160,942
Swale	£147,082

The variation between partners for this first year contributions reflect the extent to which the current level of service is funded by fee income.

This calculation also assumes that there is no additional charge to the partnership in Year 1 for support services, as these will already be funded in the partner's respective budgets.

If any additional costs are incurred in year 1 by the partner authorities in the provision of support services then these will have to be met by the partnership rather than as an additional call on the constituent authorities.

Post October 2008.

From this date, the constituent authorities will be required to fund the "non fee earning" functions that STG will be undertaking. An analysis of functions carried out at the three authorities concluded that the element equated to 25% of total activity.

For year 2 onwards the overall direct cost will take into account any additional costs or cost savings created by STG and the support costs which will be negotiated annually.

The contributions for October 08 – March 09 as required by clause 3.14.4 of the Memorandum of Agreement are set out below.

It has been agreed that STG will attempt to reduce the contributions payable by the Partners by increasing other income streams, such as the consultancy, from year 2 onwards. Therefore, instead of 25% the business plan has factored 23% into the business plan projections. This means that the direct costs identified in the business plan for October 08 – March 09 equate to £844,611.

The non fee earning element is reduced to 23% = £194,260.

This is shared using the agreed percentages of the Memorandum of Agreement.

Gravesham 20%	£38,852
Medway 53%	£102,958
Swale 27%	£52,450

Therefore adding the contributions for each of the six month financial figures the total contributions for April 08 – Mar 09 are:

Gravesham	£46,674
Medway	£183,429
Swale	£125,990

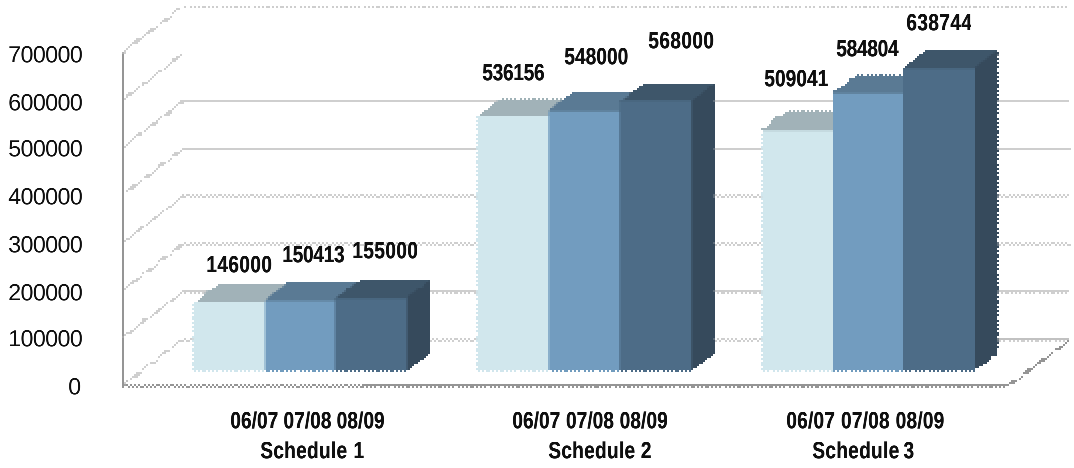
As detailed on the following budget sheet:

	Apr 08 - Sep 08	Oct 08 - Mar 09
Direct Costs		
Salaries	636,563.61	636,563.61
Staffing	10,888.88	10,888.88
Transport	39,522.05	39,522.05
Supplies and Services	67,826.33	67,826.33
Third Party Contractors	3,833.58	3,833.58
Total direct costs	**758,634.44**	**758,634.44**
Accommodation		
Rent	26,000.00	26,000.00
Landlord Insurance and Service Charge	2,673.88	2,673.88
NNDR	10,042.50	10,042.50
Electricity	1,833.40	1,833.40
Gas	739.54	739.54
Water	290.98	290.98
Cleaning & Hygiene	7,821.31	7,821.31
Security	2,575.00	2,575.00
Total STG additional accommodation	**51,976.60**	**51,976.60**
Support Services		
HR Services	-	5,760.13
Legal Services	-	5,290.00
ICT Support	-	12,950.00
Finance Support	-	10,000.00
Total STG support services costs	**-**	**34,000.13**
Total forecasted overall direct costs for STG	**810,611.04**	**844,611.17**
Total forecasted direct income	**(639,402.06)**	**(722,342.26)**
Net direct costs	**171,208.99**	**122,268.91**
Subsidy Payable by Authorities		
Medway	(80,471.16)	(102,958.10)
Gravesham	(7,821.84)	(38,852.11)
Swale	(73,540.81)	(52,450.35)
Other Income	-	(16,892.22)
Total subsidy and other income received	**(161,833.82)**	**(211,152.79)**
Indicative total net effect cost/ (saving)	**9,375.17**	**(88,883.89)**

Each Managing Surveyor will monitor income and report monthly to the Management Steering Group. Emphasis will be placed on each surveyor to market the service, with particular interest on key account holders for partners and large companies in each area.

Another area to be monitored is enforcement activity, as additional income can be generated from Regularisation applications, which may follow enforcement of contravening work which does not have the benefit of a Building Regulation application. There are two advantages for STG of increasing activity, in that enforcement is not subject to competition and any consequent Regularisation application results in an additional 20% fee above the charge for the same work had an application been made.

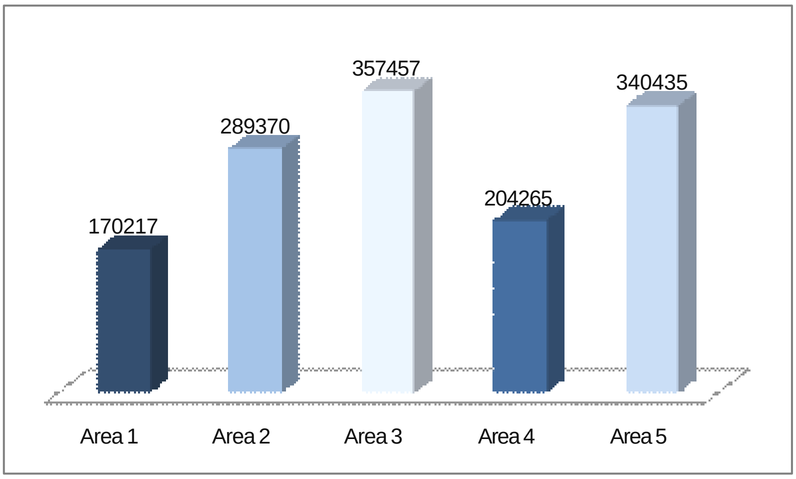
- Income is based on generating more income from winning market share. From the previous trend analysis, it could be seen that Schedule 2 work (domestic extensions) is likely to remain fairly static. However, there are opportunities in both the new housing and commercial sectors which STG can take advantage of. The following graphs show a breakdown of income per schedule and a prediction of the levels of activity required to generate the necessary income.



The commercial/industrial sector within Schedule 3 presents STG with the greatest opportunity to increase income. Targets such as the proposed power stations on the Isle of Grain, the schools programme through Kent & Medway, together with other educational expansion, such as the colleges in North Kent and Universities at Medway, together with further expansion of the industrial parks at Eurolink in Sittingbourne will offer significant opportunities to bid for work.

Each Managing Surveyor will have responsibility for monitoring income budgets for their area. The following targets for each area are based on cost per officer and potential activity within the area. Over the next year data will be available to more accurately predict activity for the following year.

Target fee income per area



4. MANAGEMENT & ORGANISATION

The structure and management of the South Thames Gateway Building Control Partnership has been established after rigorous investigation of the existing workloads, staffing issues and the potential workload of the authorities.

The need of a modern building control service to an increasing competitive environment requires a more resilient and flexible structure to maintain its marketshare.

The operation and structure of the Partnership will be kept under review to take account of the changing needs of our clients and market share.

4.1 **Management responsibilities**

The Director is responsible for the operation of the STG Building Control Partnership and reports to the Joint Committee representing the Councils within the Partnership. The director is responsible to the Joint Committee for :

- The development and implementation of a business plan for the STG Building Control Partnership.
- Ensuring services are delivered in accordance with service level agreements.
- Ensuring services are delivered within budget.
- Exploring Partnership opportunities with other agencies.
- The promotion of local authority building control.
- Ensuring customer satisfaction.

The structure of the Partnership is divided into two service areas :

- Operational
- Support

The managers responsible for those service areas each report to the Director and Operations Manager, and together form the management team of STG Building Control Partnership.

The managers of the service areas are responsible for :

- Contributing to the development and implementation of the business plan for STG Building Control Partnership.
- The staff within their area, including work planning, training and development.
- Ensuring the services are delivered to any service level agreements and policies of STG Building Control Partnership.
- Keeping abreast of all current matters relating to their respective areas of responsibility.
- Monthly budget monitoring to ensure expenditure and income levels remain on target.

4.2 **Structure**

The Partnership will have 36 full-time equivalent posts and the organisational structure is shown in Appendix 3 and the responsibilities of each service area are described below.

<u>Operational Services</u>

This team will provide professional and technical services, which will include :

- Building Regulation plan checking and site inspections.
- Giving of Building Regulation advice.
- Inspection of dangerous structures.
- Inspection of demolitions.
- Any other services requiring professional or technical expertise upon request.

<u>Support Services</u>

The role of this team will be to provide the Partnership with the following services :

- Registering of submitted Building Regulation Applications and associated administration.
- Purchasing.
- Sewer checks.
- Responding to enquiries from solicitors.
- Dealing with land charge enquiries.
- Invoicing for inspection charges.
- Budget monitoring.

- Purchasing.
- Information technology.
- File management.
- Initial Notice administration.
- Communities and Local Government returns
- Reports to other agencies and council departments.
- ISO 9001 registration.
- Customer care
- Performance monitoring.
- Responding to complaints.

4.3 **Marketing and Business Development**

There are four strategic principles of our Marketing Strategy

Product	-	delivering products and services that anticipate and satisfy needs
Place	-	where and through whom
Price	-	understanding costs and adding value
Promotion	-	communicating the message

Within our original structure the marketing/business development manager's position was due to be filled in year 3. However, it is clear that in order for us to increase our market share we must make the most of opportunities that present themselves now rather than wait for the future. Both the Joint Committee and the Steering Group agree that to deliver on the marketing strategy we need to employ someone in year 1.

The key areas that will be addressed will be:

Product

- Emphasise quality of service, including certification to ISO 9000
- Reinforce customer relationship function, particularly to Key Accounts
- Develop new consultancy service
- Provide training programme for customers
- Expand recruitment drive
- Vigorously promote warranty schemes

Price

- Make the most of efficiencies created by the Partnership
- Adding value warranties
- Produce hard evidence of added value through case studies
- Measure impact of new services
- Monitor satisfaction levels regularly
- Further develop on line services

Place

- Clarify position in a noisy market place by defining location and operating area
- Establish a clear identity
- Build an effective network with key regeneration players
- Exploit Compass Centre and location
- Act as facilitator to potential customers

Promotion

- Agree, differentiate and prioritise commercial and domestic markets
- Identify and agree contacts and relationships
- Define appropriate and clear messages to different customer and users
- Establish a core team with appropriate skills, building marketing capability
- Agree timescales for aspect of marketing plan
- Maintain dialogues through project 'close outs'. regular events and news
- Exploit success in seminars, leaflets and press coverage

A new job description and person-specification will be drawn up with a view to filling the position before or soon after 1 April 2008. Each of these points will then form the basis of an action plan with timescales against each task.

4.4 **Central Support Services**

One of the major areas that will demonstrate how the Partnership can save on costs is through central support services. As individual authorities, these were redistributed throughout the council based on head count or size of the operation. This often reflected figures in excess of the actual usage or cost to the section. Central costs referred to are such things as Finance, IT, Human Resources and Legal (including democratic services).

IT is the only service which currently has a Service Level Agreement with STG and this covers general support as well as web hosting. As Medway is the host authority, it made sense, in the first instance, to use their services for finance and Human Resources. The finance system is used to collect income, reconcile accounts and pay invoices. As all staff are either directly employed or have been transferred across to Medway, use of their Human Resources and payroll is the most appropriate.

Actual usage of the services will be monitored through the first year so that estimates are available to prepare service level agreements with the support services.

There are no fixed contracts with the current suppliers so there will be the opportunity to negotiate the most satisfactory provider for future years together with the opportunity to move to outside providers should this prove the most effective method of support.

4.5 **Personnel Issues**

There are differences in the existing terms and conditions for staff from each of the three Councils. Staff who have been transferred to Medway under TUPE transfer remain on their existing terms and conditions.

It was clear from the feedback from the first awayday that one of the most important issues to all staff was the need to harmonise the terms and conditions as soon as possible. As STG is not a legal entity, the harmonisation will have to be accommodated through Medway's pay structure. Nevertheless, it is seen as imperative to balance out any discrepancies in current salary levels so as to retain staff and prepare for recruitment.

A career grade structure will be introduced for surveyors to allow for progression through the grade, dependant on suitable qualifications and capabilities. This will encourage staff to train and develop their skills and be rewarded for their efforts.

The proposed career grade is attached at Appendix 6. It shows a number of entry levels into the grading system together with a description of the abilities, competencies and experience expected of a surveyor at a certain level. There is a qualification bar towards the top of the scale and it is hoped this will encourage staff to become fully qualified.

One of the major benefits of the scale is that STG will be able to be more responsive to rewarding endeavour and increased capability, unlike most authorities where promotion is reliant on someone else leaving, STG will be able to retain good staff by rewarding personal success and therefore retaining good professionals.

Another reward would be the payment of subscription to one professional body, recognised within building control. This is used extensively in the private sector to ensure staff are not penalised for progressing professionally.

An area that requires balancing in that of staffing hours. Although each the three authorities operated 37 hour weeks for FTE's the hours the offices were open varied; Gravesham 9am to 5pm, Medway 8.30am to 5.15pm, Swale 9am to 5pm. STG has given an assurance that the service it supplies would not be less than that provided pre-October 1st. Therefore it will need to open 8.30am to 5.15pm and a rota system devised so that the burden does not fall onto the same people each week.

Another rota system is required to deal with the dangerous structure call out system. Presently the same surveyors as were on the list for Medway are carrying out the dangerous structure out of hours cover for Gravesham and Medway. Swale's operation has also remained the same. A more equitable solution will be in place by 1 April 2008 to ensure a balance of experience and capability for the dangerous structure call out rota following consultation with staff.

Given the much larger geographical area and the interchangeability of staff to cover for each other, it is not surprising that lease cars featured heavily in personnel discussions at awaydays.

All three Councils operate lease car schemes although ex-Medway staff were not eligible pre-October 1st but are now as they meet the necessary criteria. Each authorities schemes vary in their contributions from employer and employee and meetings have taken place between the leasing operations teams of the three Councils, the Director and Human Resources and the conclusion is that the way forward is for STG to approach "Kent Leasing" direct to negotiate their own terms and then run the leasing scheme themselves. Not all operations staff would want to take up this offer and therefore the proposal would include a cash alternative to the vehicles.

A firm proposal will be sent to staff for consultation by the end of January 2008 with a view to implement the chosen scheme by 1 April 2008.

4.6 **Accommodation**

The STG Partnership will operate from Unit D at the Compass Centre on a three-year lease from Medway Council, with breaks after each year from May 2008. Medway Council, who operate from much of the Compass Centre complex will be moving to a new HQ building in Gun Wharf, Chatham.

This will leave STG solely operating from the site and will achieve the independence from each of the councils, as discussed and agreed in early project board meetings.

Operating independently from the site will also achieve savings in cleaning and security costs as these can now be purchased locally instead of being included in the general accommodation recharge. There will be some initial costs which will partly be met from the implementation costs and partly from the first six month budget. A new reception area is required on the ground floor, together with a meeting room and an office. Both floors and interlinking staircase will require carpeting and there will be general cleaning to be carried out.

The current costs for the lease of this unit are set out below:

Rent	£ 52,000.00
Landlord Insurance	£ 1,292.00
Landlord service charge	£ 3,900.00
NNDR	£ 19,500.00
Electricity	£ 3,560.00
Gas	£ 1,436.00
Cleaning & Trade Waste	£ 15,187.00
Water	£ 565.00
Caretaking	£ 9,923.00
Total	£107,363.00

In order to be able to deliver an improved service using remote working, a satellite office will be maintained in Swale within the Civic Centre building. This will comprise 2 desks with IT support and connections back to the central office at the Compass Centre. There will be some storage for working files on site and the use of an A3 fax/photocopier/printer for reproduction of scanned applications.

There will be the opportunity to reduce some of these costs as they will be locally negotiated rather than allocated on a pro rata basis, eg caretaking, cleaning and trade waste, however, some costs such as rental and insurance may rise slightly.

4.7 Training & Development

It is important that all staff are encouraged to develop their skills and maintain a training regime to accommodate Continued Professional Development requirements of their professional bodies.

Each member of staff will have a Personal & Development Review (PDR) within the first six months of the Partnership. These will identify individual and gap training needs which will be built into a training programme to be implemented over 2008-09.

Some training needs will be brought in from external providers; however, it is envisaged that most of the technical training can either be run in-house, using existing staff or contacts within the three authorities, or by product manufacturer's who can provide technical updates at no charge. The professional organisations the surveyors belong to have requirements for between 15 and 30 hours of Continued Professional Development per annum, depending on grade of membership, and each surveyor will maintain a personal log to ensure this is met. The support staff also require training and skills development to ensure the best use of resources.

Regular administration team meetings will take place each month, with training being a standard item on the agenda. Again external trainers will be made available, where appropriate, but most courses will be available from each of the three authorities and from internal training by other staff members.

There will also be monthly technical group meetings which will be used to discuss interpretational issues to ensure a consistent approach to addressing familiar problems on site. Once debated and accepted, a policy document concerning whatever technical issue has been dealt with, will be published and adopted as STG policy, reinforcing the consistency approach of interpretation of the Regulations across the area.

5. PERFORMANCE MANAGEMENT

In order to ensure optimum levels of service delivery we will employ performance management principles, which will monitor the output of staff over a number of key areas, including targets for Service Level Agreements. This information will be reviewed by management team each month and a summary presented to Members at each quarterly meeting. The areas we will be monitoring are :

• Number of fee earning applications deposited. • Number of non-fee earning applications deposited.	Statistical
• Market share by volume. • Market share by value.	Market
• Fee income and budget target per month. • Accumulated fees received versus accumulated target.	Financial
• Plans checked by each officer versus targets • Amendment letters/decision notices to agents within 10 and 15 workings days • Number of site inspections per office against target	Surveyors
• Acknowledgement to applications made within 3 working days. • Replies to Land Charges Searches within 2 working days. • Replies to solicitor letters within 10 working days.	Support team
• 90% of telephone calls answered within six rings • Annual customer survey • Annual focus group with architects and agents	Customer feedback/satisfaction

Examples of how these may be presented are in Appendices 4 and will of course be adapted to reflect the much larger workforce and the five teams that make up the operational side of STG.