



SOUTH THAMES GATEWAY BUILDING CONTROL JOINT COMMITTEE

10 JUNE 2008

PERFORMANCE MONITORING

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

Summary

The report seeks to inform the Joint Committee of the progress of the Partnership over the first six months of operation, October 2007 – March 2008.

1. Budget and Policy Framework

- 1.1 On 1 October 2007 the first business plan was adapted by the Joint Committee. It outlined how South Thames Gateway (STG) would deliver the statutory and discretionary functions of Gravesham, Medway and Swale in connection with their Building Control duties over the first six months. Monitoring the performance of targets within the plan is a matter for this committee.

2. Background

- 2.1 The business plan from October 2007 to March 2008 had a number of aspirations and targets for the Partnership to achieve in its first six months of existence.
- 2.2 It also had a number of challenges to overcome. Staff were coming together for the first time to work in new area teams, the new IT system was going live without knowing if the data transfer had been successful, staff were taking on new procedures and new systems with the added complication that not all staff could be accommodated at the host authority from day one.
- 2.3 There were a number of areas identified to improve the service to customers with the resources available to the Partnership including a faster plan checking service, improvements to the site inspection service improved access to advice and guidance and a consistency of

3. Director's comments

- 3.1 The report outlines a number of aspirations and targets which the first business plan identified as key to establishing the service across the three Councils.
- 3.2 It includes both the statutory and discretionary functions together with improvements to customer service on plan checking, site inspections and advice in both general and site specific construction related enquiries.
- 3.3 The harmonisation process was seen as key to the recruitment and retention policy of the Partnership. At the request of the Joint Committee it was brought forward into the first 6 months of operation and has had a 100% take up from staff.

4. Finance

- 4.1 The budget for October 2007 – March 2008 targeted a surplus of £48,635. However, the downturn in the economy has had an impact on the construction industry with larger projects not coming forward at this time. Despite these economic pressures the Partnership achieve a surplus of £18,720 over the first six months of operation.

5. Legal Implications

- 5.1 There are no legal implications from this report.

6. Recommendations

- 6.1 Members are asked to note the content of the reports.

7. Suggested Reasons for Decision

- 7.1 The Committee has a key role in monitoring the performance of the Council and in ensuring that any actions arising are followed through.

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Background papers

STG Building Control Partnership End of Year Report

STG Building Control Partnership
End of Year Report

Appendix 1



STG Building Control Partnership

End of Year Report

1.0 Introduction

- 1.1 The business plan from October 2007 to March 2008 had a number of aspirations and targets for the Partnership to achieve in its first six months of existence.
- 1.2 It also had a number of challenges to overcome. Staff were coming together for the first time to work in new area teams, the new IT system was going live without knowing if the data transfer had been successful, staff were taking on new procedures and new systems with the added complication that not all staff could be accommodated at the host authority from day one.
- 1.3 Inevitably when three IT systems merge there were some difficulties with retrieval of information and putting new applications on the system. However the team worked well to overcome problems whilst maintaining a high level of service to the customer. They also built up a good rapport with the software supplier and Medway's IT support to resolve issues and improve the system.
- 1.4 The accommodation became available mid December and it was possible to house the whole operation on two floors at the Compass Centre. This greatly enhanced the service on offer as there were no connectivity issues with sending information between offices. The satellite office at Sittingbourne has been maintained to accommodate two staff which assists in delivering the inspection service to the outlying regions of the area.
- 1.5 The number of partnered architectural practices has increased from two to seven with the intention of increasing that figure in the coming year. The Partnership re-established quality assured status as a registered Quality Assured firm with BSI and is successfully competing in a difficult economic climate to deliver on budget with a small surplus.
- 1.6 Staff terms and conditions were harmonised ahead of the planned process with a 100% take up from staff.
- 1.7 Over the next year we are looking to increase our competitiveness in Schedule 1, residential, with the help of the new warranty scheme and Schedule 3, commercial, with the help of a new product 'Latent Gold' which provides a collateral guarantee.
- 1.8 The following highlight the areas the first business plan focussed on with regard to improving customer service through the transitional period. It also identifies how we are looking to develop the business to increase our market share, in particular in the residential and commercial sectors.

STG Building Control Partnership End of Year Report

2.0 *Plan Checking*

- 2.1 When an application is made the Partnership is required to make a decision on it within five weeks (or two months with the agreement of the applicant). Customers expect to be contacted early on within this process if there are alterations required to make it compliant. A target of 15 working days to advise if amendments are required was set and where possible the partnership will issue an approval or conditional approval within this timescale. This is an improvement on the service previously delivered by each of the authorities and meets with the aspirations of national performance targets from April 08 onwards.
- 2.2 Details of fee earning applications are shown below. Details of all applications received are available at **Appendix 1**.

Area	Oct	Nov	Dec	Jan	Feb	Mar	Total
1	67	57	32	53	55	54	318
2	58	59	21	59	47	38	282
3	97	70	49	60	86	49	411
4	39	19	8	17	20	14	117
5	64	44	32	42	47	27	256

3.0 *Improved site inspection service*

- 3.1 Local Authority building control has always relied on a number of notifiable inspections which are statutorily required under legislation.
- 3.2 “The Future of Building Control” consultation paper looks at risk based inspections, ie surveyors making professional judgements as to the capabilities of a developer and the relevance of the work being inspected. The Partnership has anticipated changes in the inspection arrangements to bring it more in line with our competitors but without losing the protection and safeguards that are offered to the domestic market.
- 3.3 Working patterns have changed to facilitate early morning and late afternoon inspections, therefore giving customers greater flexibility in the range of inspection times. In order to ensure the correct safeguards are there for all customers, inspection notification framework are sent out with each approval advising when inspections will need to be made.

STG Building Control Partnership End of Year Report

Area	Oct	Nov	Dec	Jan	Feb	Mar	Total	Target
1	441	292	212	272	251	214	1682	1717
2	325	299	149	272	285	305	1635	1647
3	615	546	355	461	490	420	2887	2466
4	143	198	118	212	240	165	1076	702
5	268	309	188	220	255	253	1493	1563

Details of inspections by area are shown above and details of all inspections received are shown in **Appendix 2**.

4.0 Advice and guidance

4.1 The Partnership has looked to enhance the availability of technical advice during the day, again something that could not be provided with smaller units, and provides a duty surveyor available each day to deal with enquiries and give guidance on all aspects of building construction.

4.2 Information sheets which assist both owners and developers in making sure their building work complies have been updated and increased and the website has been updated since launch and is under constant review.

➤ One stop shop approach

4.3 A number of architectural practices have partnered with STG through the Local Authority Partnering scheme and the number has increased from two in October to seven in March 08.

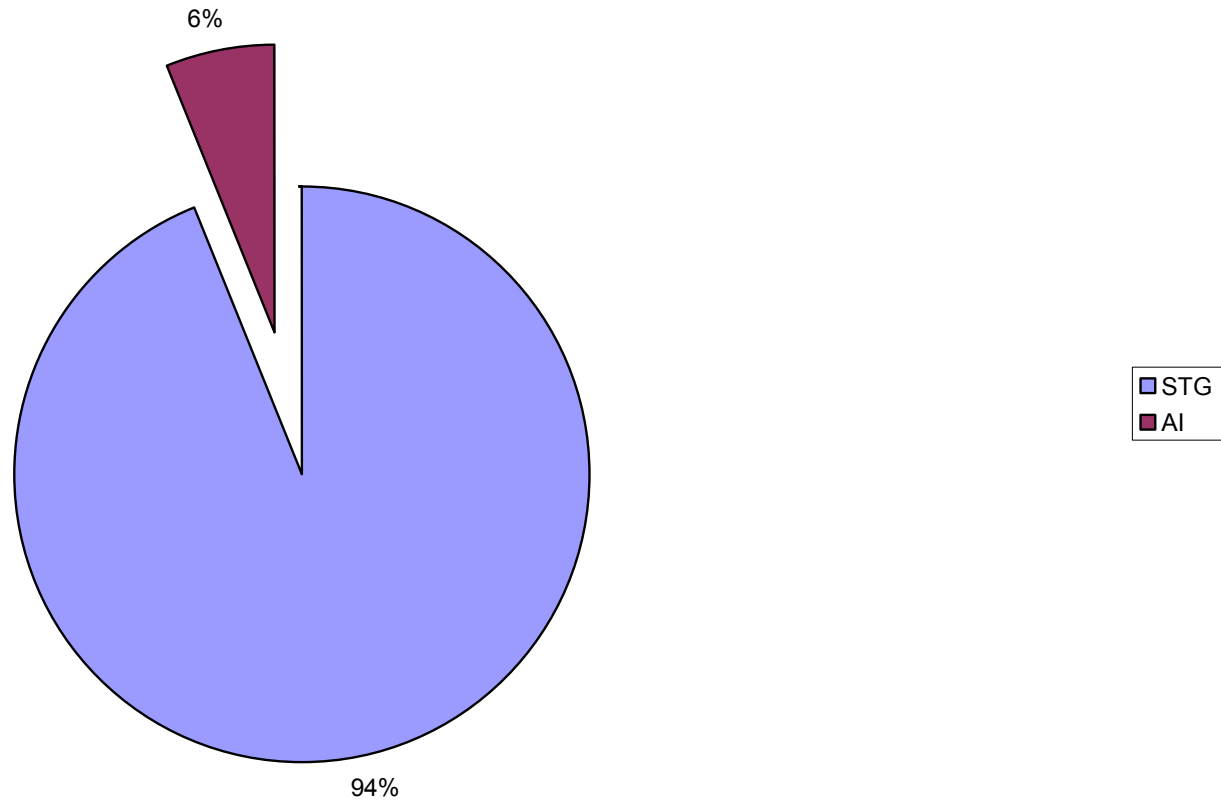
4.4 The vital links with Planning, Engineers and other council services have been maintained across the three Councils, allowing the Partnership to offer a development team approach on all complex applications.

4.5 The extensive local knowledge, experience, skills and expertise of the combined staff are a valuable marketing tool to develop the business and secure market share in a very competitive industry.

4.6 The pie charts show the market share of applications by quantity and income value. They demonstrate a 3% increase in the Partnerships market share of income over the combined 2006/07 financial year figures.

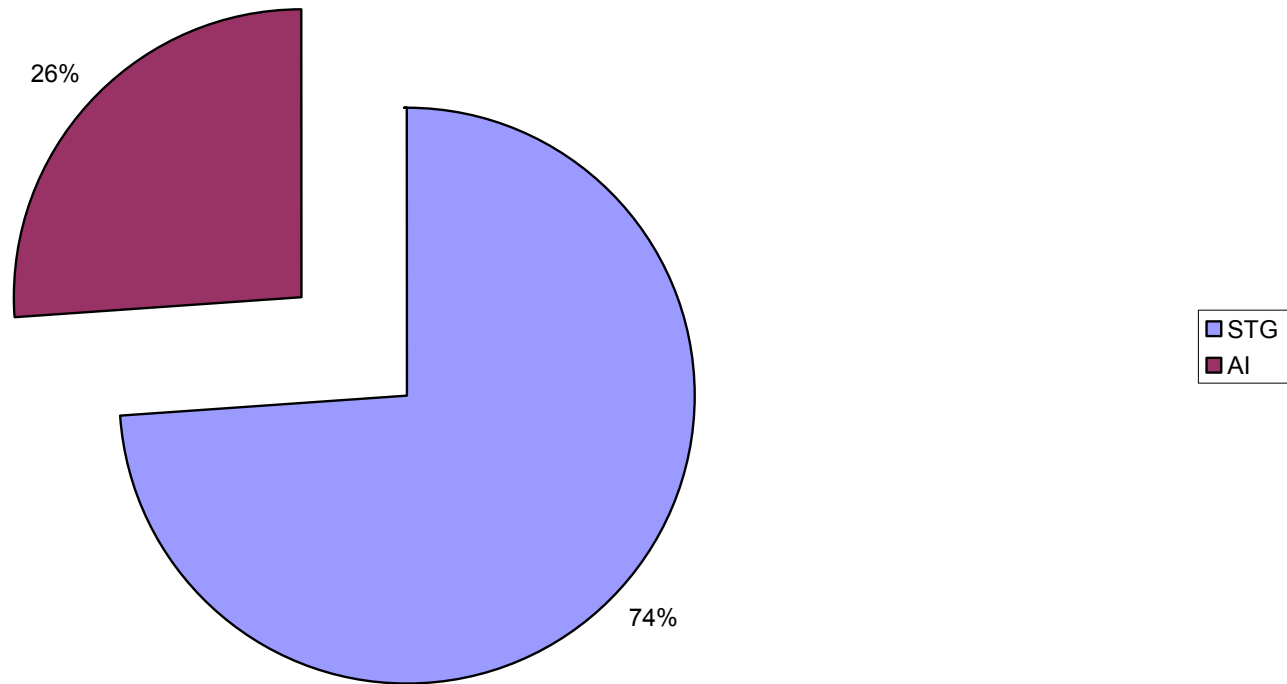
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Market Share - Oct 07 to Mar 08



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Market Share Inspection Value - Oct 07 to Mar 08



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5.0 *Non fee related work*

- 5.1 A significant amount of time is spent on non fee related work. This includes an increasing number of competent person schemes for things such as window replacements, electrical installations and gas installations as well as dealing with dangerous structures, demolitions, unauthorised works, enforcement and the administration of the approved inspector register.
- 5.2 Dangerous structure procedures have been agreed with the three authorities including maintaining an out of hours arrangement covering the whole STG area. The target is to attend a reported dangerous structure within 2 hours.
- 5.3 The current consultation document also focuses on enforcement and is looking for local authority building control to work with trading standards and others to reduce the impact of “cowboy builders”. The Partnership is working with each of the Councils to look at ways to take this forward and will be monitoring enforcement action through the next financial year.

6.0 *Increased consistency in interpretation*

- 6.1 The Partnership affords a opportunities in developing a consistent approach across the three areas. To achieve this many standard conditions have been and are being developed which officers can use both in their correspondence and site record notes to relay necessary information in a consistent way.
- 6.2 A number of procedures have been harmonised to ensure each Council receives the same service delivery and there are regular technical meetings where surveyors can raise issues from the Regulations which could lead to differences in interpretation. Once openly discussed an agreed interpretation can then be adopted as policy for the group. A number of quality checks are carried out both internally and externally in order to make sure procedures meet the quality assured criteria.

7.0 *Staffing – harmonisation and structure*

- 7.1 It was agreed at Joint Committee that the harmonisation of terms and conditions for staff should take place within the first six months of operation. Although this was ahead of our planned harmonisation process, however, the process was completed by the end of March and there has been 100% take up of the new offers.
- 7.2 During this process it gave the opportunity to look at the structure and given workload variations it was decided to reduce the five areas down to four. This was adopted as the new structure from 1 April 2008 and

STG Building Control Partnership End of Year Report

gives a better balance of resources to meet demand. The new areas and structure are shown in Appendix 3.

8.0 Accommodation

- 8.1 From 1st October 2007 Gravesham and Medway staff were merged into the available space at Compass Centre, Chatham Maritime, and dealt with Areas 1,2 and 3. Areas 4 and 5 were catered for at Swale House in Sittingbourne. This did present a number of communication problems and IT issues which were reliant on one authority giving access to the other to use their IT network. There were also difficulties with ensuring that files required for daily site visits were transferred between offices.
- 8.2 From mid December our new accommodation in Block D of the Compass Centre became available and this was able to house all of the STG team. At this time the Swale office was reduced in size to provide a satellite base for two surveyors. In order to accommodate the surveyors and the files from the Swale office it was necessary to reduce the volume of paper files. This was done by engaging a company to scan over 23,000 documents and was completed on time and within the budget allowed.
- 8.3 The new working environment has been well received by staff and customers and further improvements are planned when the accommodation becomes truly self contained in September/October 2008.

9.0 Finance

- 9.1 The financial arrangements for the first six months of operation were included in the business plan and were based on the potential income generation after examining income and workload of each of the authorities over the past two years. The contribution payable from each of the partners was based on the net direct costs that each partner would have incurred had the Partnership not been formed.
- 9.2 The current economic situation does not reflect the buoyant construction economy of two years ago and there has been a significant drop in the value of works being undertaken. However, one of the reasons for forming the Partnership was to overcome fluctuations in the economy and despite a significant difference in the predicted income to actual deposits there were also significant savings from outgoings that individual authorities would have had to meet. It is expected that the final budget for the first six months of operation will show around £18,700 surplus. Given the difficult economic climate and the inevitable fierce competition from the private sector it is felt that this demonstrates the viability of the Partnership.

STG Building Control Partnership
End of Year Report

**STG Building Control Partnership Budget for Oct
07 - Mar 08**

	From Business Plan		Actual Outturn	
	YR 1		YR 1	
	(Oct 07 – Mar 07)		(Oct 07-Mar 08)	
<u>Direct Costs</u>				
Salaries		602,920		633,348
Salary Increases On costs		23,902		
Running Expenses		111,491		66,314
Increases		4,524		
Direct Cost		742,837		699,662
<u>Support Services</u>				
Accommodation		9,763		9,763
HR Services				
Legal Services				
ICT Support				
Finance Support				
Total Cost		752,600		709,425
<u>Income</u>				
Fee Income		(639,402)		(566,311)
Consultancy				
Net Cost		113,198		143,114
<u>Contributions</u>				
Gravesham		(7,822)		(7,822)
Medway		(80,471)		(80,471)
Swale		(73,541)		(73,541)
Total Contributions		(161,834)		(161,834)
(Surplus) / Deficit		(48,635)		(18,720)

Contribution October 2007 – September 2008 are calculated on current costs 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:

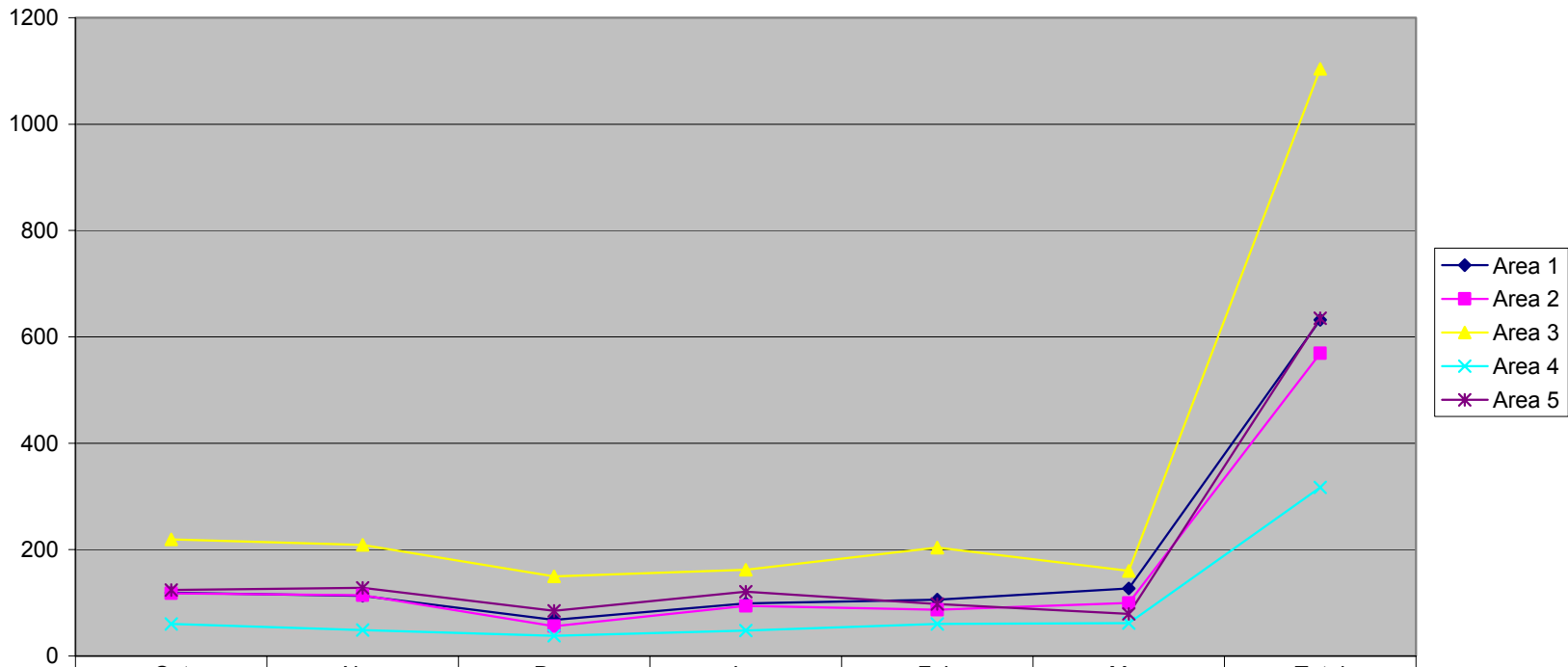
Contribution for year 1
Gravesham £15,644
Medway £160,942
Swale £147,082

The variation between partners for the first year contributions reflect the extent of which the level of service, prior to formation of the Partnership was funded by fee income.

STG Building Control Partnership End of Year Report

APPENDIX 1

Total Applications Received per Area - Oct 07 to Mar 08

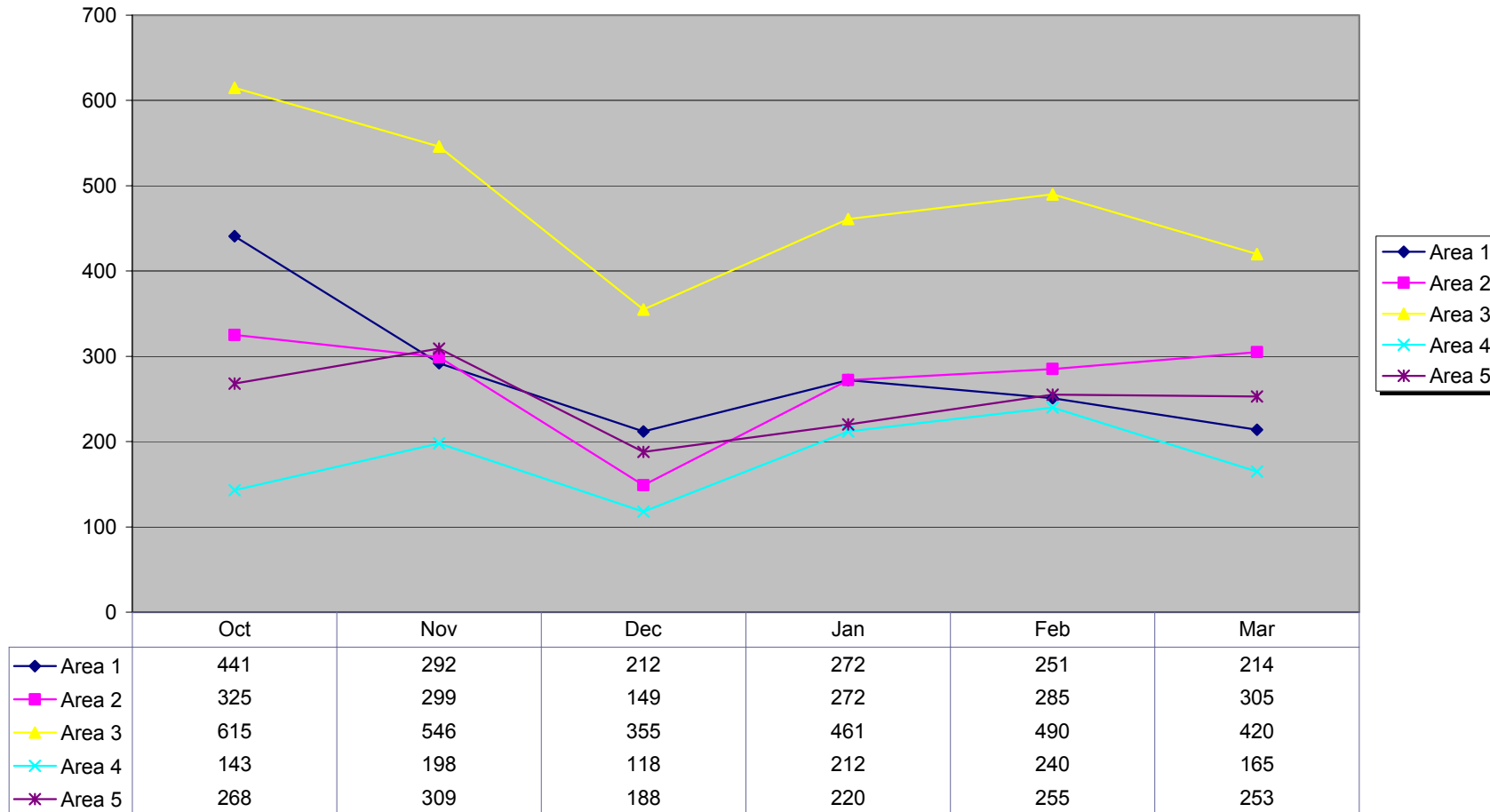


	Oct	Nov	Dec	Jan	Feb	Mar	Total
Area 1	119	113	68	99	106	127	632
Area 2	118	114	56	94	87	100	569
Area 3	219	209	150	162	204	160	1104
Area 4	60	49	38	48	60	62	317
Area 5	124	128	85	121	98	79	635

STG Building Control Partnership End of Year Report

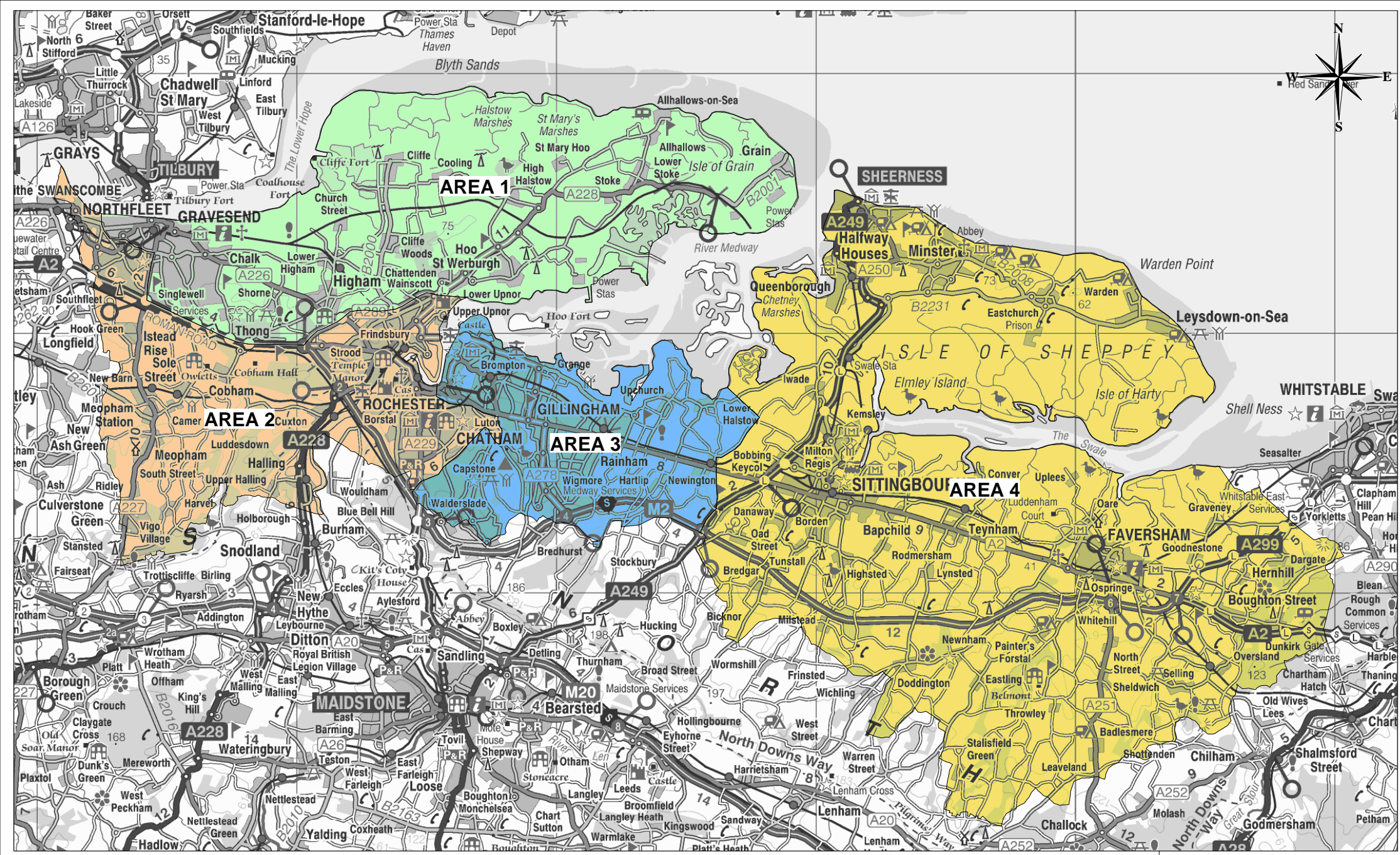
APPENDIX 2

Inspections by Area - Oct 07 to Mar 08



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Appendix 3 – map and organisation chart (see attached two documents)



South Thames Gateway Building Control Areas

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APPENDIX 3

STG BUILDING CONTROL PARTNERSHIP STRUCTURE CHART

