

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

**9 JUNE 2009**

### **SOUTH THAMES GATEWAY BUILDING CONTROL BUSINESS PLAN 2009/2010**

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

#### **Summary**

The report seeks out approval to the South Thames Gateway Building Control Business Plan

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

- 1.1 The Constitution requires the Joint Committee to consider any comments received from the Partner Authorities on the plan and agree any revisions prior to formal submission to this meeting.
- 1.2 The Joint Committee originally considered this report on 12 November 2008, however, the subsequent downturn in the economy has meant that the Partnership has revisited the draft Business Plan for 2009/2010.

#### **2. Background**

- 2.1 The Joint Committee's Constitution sets out the process for approval of the Partnership's Business Plan each year and the timing required to ensure that each Partner Authority is able to incorporate associated budget requirements into the financial planning process for the subsequent year. The stages to this process are as follows:
  - Before 1 October each year the Joint Committee is required to approve and send its draft Business Plan for the following year to each Partner Authority for comments (25 September 2008)
  - Each Council has 35 days (from receipt) to provide comments to the Secretary of the Joint Committee on the draft Business Plan

- The Joint Committee is then required to meet to consider any comments received and agree any revisions to the draft Business Plan (12 November 2008).
  - By no later than 5 January the Joint Committee has to send a revised draft to each Partner Authority for their final approval. However, the effects of the recession on the potential income for 2009/10 required further work to be undertaken to the Business Plan to mitigate additional financial pressures, required the need to resubmit the draft Business Plan to the Joint Committee on 23 February 2009.
  - Each Partner Authority must advise the Secretary to the Joint Committee whether it approves or rejects the revised draft Business Plan by no later than 10 days before the Annual Meeting of the Joint Committee (The Joint Committee will formally adopt the Business Plan at its Annual meeting).
- 2.2 There are also provisions in the Constitution of the Joint Committee stipulating the process and timescales for agreeing amendments to the Business Plan during the course of each year.
- 2.3 The draft Business Plan was considered and approved by each of the Partner Authorities' Executives as follows:
- Gravesham Borough Council's Executive considered and approved the draft plan on 6 April 2009
  - Medway Council's Cabinet considered and approved the draft plan on 10 March 2009
  - Swale Borough Council's Executive considered and approved the draft plan on 17 March 2009.

### **3. Business Plan 2009/2010**

- 3.1 The Business Plan outlines how the building control function will be delivered for the three partnership Councils over the next financial year.
- 3.2 It includes details of the statutory and discretionary functions to be carried out together with a list of priorities that will need to be addressed throughout the year.
- 3.3 It includes details of the business and marketing objectives identified as necessary to take the Partnership forward together with details of the performance standards that will be met during the year. There are a number of planned improvements detailed to engage a wide range of customers and designed to deliver an improved service and encourage market growth.
- 3.4 It has been amended to take into account the effects of the economic situation within the construction industry and a predicted downturn in

applications, work commencements and consequent loss of income. It reflects a reduction in staff members of 20% and other cost savings to mitigate the likely financial pressures, as set out below paragraph 6.12 of the Business Plan.

- 3.5 Medway Council has developed a comprehensive Diversity Impact Assessment process to ensure policies reflect potential impact on residents due to their racial group, gender, disability, sexual orientation, age and religion. In line with this the first stage of a Diversity Impact Assessment has been carried out. The findings, as shown in Appendix 2, indicate that the policy does not need a full diversity impact assessment in this area.

#### **4. Financial Implications**

- 4.1 Section 6 of the Business Plan details the budget for 2009/10 and identifies a balanced budget should income fall by 20% from the original budgeted expectation. An indication of the likely implications to each partner authority's contributions should the income fall by 30% or 40% is also included. However, monthly budget monitoring will be presented to the STG Steering Group and subsequently to Joint Committee. Should this indicate a potential deficit situation, further savings and economies of scale will be introduced to offset the need for Councils to fund any deficit and a call on additional Council contributions will be as a last resort.

#### **5. Legal Implications**

- 5.1 Where appropriate these are set out in the report and in the Business Plan. The Business Plan makes provision for partnership working with private architects. This will be done under the recognised Local Authority Building Control Partnership scheme.

#### **6. Risk Management**

- 6.1 There are a number of identifiable risks associated within the Business Plan. Should there be a sustained continuation of the economic downturn, the number of applications may fall below our predicted figure which would impact on our estimated income for the year. As described in Section 6 of the Business Plan a call for further contributions from the Partner authorities to offset any deficit would be as a last resort. Should the regular monthly monitoring reveal a potential deficit situation costs would have to be reduced to try and mitigate against the additional pressure.
- 6.2 In addition to controlling expenditure there is also the possibility of generating additional income through the consultancy. An investment in the training and development of staff so as to be able to use additional skills to generate further income has been implemented through the PDR process.

6.3 Another risk that has been identified is that due to the economic situation there could be increased debt arising from unpaid invoices. Careful monitoring of the debtors list on a weekly basis will ensure the vigorous pursuit of debt in order to keep outstanding invoices at a minimum.

## **7. Recommendation**

7.1 The Joint Committee is asked to adopt the 2009/2010 Business plan.

## **8. Suggested Reasons for Decisions**

8.1 The Constitution of the Joint Committee requires approval of the business plan for the following year at the Annual General Meeting.

### **Lead officer contact**

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### **Background papers**

Reports to STG Building Control Joint Committee – 25 September 2008 and 12 November 2008



South Thames Gateway  
**Building Control Partnership**

**BUSINESS PLAN**

**2009/10**

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A partnership between the building control services of Gravesham, Medway and Swale authorities

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

### **DRAFT BUSINESS PLAN 2009/10**

#### **Foreword**

##### **Comment from Chair of Committee:**

The STG Building Control Partnership (involving Swale, Gravesham and Medway Councils) will have been in operation for eighteen months by the time this Business Plan is implemented and its success both as a model Partnership and a strong competitor in the building control market has been borne out by the sharing of best practice to over 13 local authorities and an increase in market share.

These are challenging times for anyone involved in the construction industry, however, I am pleased to see the Partnership diversifying its operations through the development of a consultancy to further benefit our customers. I am confident that the resilience and innovative approach from both staff and partners will ensure that this success continues.

**Councillor Jane Chitty**

**Chairman**

**STG Building Control Partnership Joint Committee**

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## SOUTH THAMES GATEWAY BUILDING CONTROL PARTNERSHIP

### BUSINESS PLAN 2009/2010

#### 1. INTRODUCTION

- 1.1. Our second full year of trading finds us operating in a very difficult economic climate. The effects of the “credit crunch” and the subsequent recession has had a devastating effect on the construction industry.
- 1.2. Forecasters now believe the recession will be longer and twice as deep as they were expecting in autumn 2008 and predict a drop of more than 12% from peak to trough in the overall economy which would put the downturn on a par with the recession of the early 1990’s. However, they also predict the upturn will arrive much earlier.
- 1.3. Through workforce planning we have been able to reduce the size of the operation by 20% for 2009/10 in order to match resources with the expected fall in applications.
- 1.4. Whilst the number of applications will inevitably decline in the next year, there is a likely increase in unauthorised works and as maintenance budgets become squeezed there will be an increase in the number of buildings/structures that are dilapidated and dangerous. This will increase the time spent by surveyors on the non-fee earning aspects of Building Control.
- 1.5. We must also ensure that we are best placed to take full advantage of the recovery when it comes. Therefore, we will use the time afforded by a reduction in workload to invest in staff development both on traditional courses, seminars and workshops but also through mentoring and one to one’s. It will also provide an opportunity to review processes and procedures and develop remote working through the tablet pc’s.
- 1.6. We also need to see where we can maximise return on our resources and use or develop the skills within the Partnership to open up new income streams to augment the traditional fee earning side of the business.
- 1.7. We are looking to develop a consultancy so as to tap into the construction industry’s increase in demand for energy calculations, certification and expert advice.
- 1.8. We need to consolidate our position in the domestic market to see where we can improve the service still further to ensure we meet all customer expectations and remain cost effective.
- 1.9. We need to win more work in the commercial sector. A number of large projects have not been shelved but have a consequential higher degree of competition for the work. We need to make sure we are able to offer the full range of services to these developers with “add-ons” that only local authorities can provide such as a one stop shop, development team approach and local knowledge and expertise.

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- 1.10. Without doubt this will be a challenging year with many fearing we will see no recovery until 2010/11. A number of initiatives are being put forward by Government to try and stimulate the construction industry as this is recognised as a good indicator for the state of the economy.
- 1.11. The housing market has been particularly hard hit by the lack of funds for mortgages. With no market to build for, house builders are reluctant to pursue developments even if planning and building control permissions have been obtained.
- 1.12. Following an expected 9% decline in average prices over 2008, prices are projected to fall a further 10% in 2009 and decline by 3% over 2010. These forecasts are based on the Department for Communities and Local Government (DCLG) house price index which is based on actual prices achieved and has one of the largest monthly sample sizes of the main published indices.
- 1.13. The projected decline in house prices over 2009 will put affordability in terms of average debt servicing costs – on a par with the lows seen in the early 1980's. Turnover as a proportion of housing supply will be at record lows in 2009 and the volume of open market transactions across Great Britain are set to fall a further 12% to 685,000.
- 1.14. Whilst making any gains in this area has always been challenging the picture described above makes it even more difficult. Against this backcloth there is the pressure to build affordable housing and to ensure new housing meets the criteria for the code for sustainable homes. This, together with the pressure to regenerate large areas of the STG area means we have to re-double our efforts to gain market share in schedule1 work.
- 1.15. All of these challenges were presented and discussed with staff at a very fruitful "awayday" where an enthusiastic team recognised the benefits for both customers and staff of coming together to form the Partnership.

## **2. AIMS AND OBJECTIVES**

- 2.1. In June 2008 an awayday was held for all staff to discuss and contribute to the proposed business plan for 2009/10. Members of the management team led discussions on varying topics aimed at taking the Partnership forward. It has always been fundamental that staff are the groups greatest asset and all are encouraged to take an active part in making the business a success.
- 2.2. At the end of the session we were left with a number of aims and objectives for the Partnership to aspire to in 2009/10 and they form the basis of the business plan.
- 2.3. The aims fall into five main areas: Operation, Finance, Staff, Outside Influences and Future Direction.



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## **2.4. Operation:**

- 2.4.1 There are still a number of concerns regarding differing interpretation of regulations and inconsistencies when dealing with our regular customers. Although many areas have been addressed at monthly technical meetings it is impossible to cover every eventuality concerning similar applications and whilst it will take a number of years to develop policy and understanding on each facet of the Regulations there are some actions we can take to minimise the impact on customers, in particular our regular agents.
- 2.4.2 We will list the most valuable agents in each area and allocate them to key account holders (as suggested in the marketing strategy). Whilst they may not wish to participate in the LABC partner authority scheme similar principles can be applied by us as the 'contractor' to ensure a single point of contact for the architect.
- 2.4.3 There are a number of issues around site meeting arrangements especially with regard to the cost of lost travelling time for surveyors journey times from Swale and Gravesham to the new office of around 30-45 minutes multiplying this by the number of surveyors clearly indicates an unacceptable cost to the Partnership.
- 2.4.4 Better use of ICT to resolve remote working/home working will allow for a change in working practices so that area surveyors would only need to call into the office two or three times a week. Output on site inspection would increase, the customer would see an even better service as surveyors would be able to carry out a greater number of inspections and not lose productive time in travelling.

## **2.5 Finance:**

- 2.5.1 For the Partnership's success to grow we must constantly look at ways of increasing income and reducing costs to ensure we remain competitive.
- 2.5.2 It is important that we engage with clients early on in the design stage as our competitors do. In order to meet some of the promises to reduce carbon dioxide emissions by 2020 the Government have introduced challenging requirements for thermal standards and energy use in all new buildings.
- 2.5.3 The controls over heat loss through the fabric of the building, controlling heat loss through air paths, reducing energy input and finding alternative ways of generating power thus ensuring the construction process is as sustainable as it can be, requires meticulous planning, detailed complicated calculations, close monitoring and validation through inspection.
- 2.5.4 The detailed calculations required to design, substantiate, allow for monitoring and validation are highly complex specialist matters and nationally there are very few fully trained assessors who are able to provide this information.
- 2.5.5 It is clear that clients expect their building control provider to be able to take a lead on this subject and be able to furnish them with both advice and the required calculation to satisfy the requirements.

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- 2.5.6 Whilst many lead authorities are training staff to check these calculations when they are submitted or paying for consultants to check them on their behalf, the Partnership needs to be able to provide the same service as its competitors and be able to provide a service dealing with all aspects of sustainability at the design stage.
- 2.5.7 To do this effectively we need to separate designers from those that will be verifying the design and this would mean the formation of a consultancy.
- 2.5.8 It has always been the intention of the Partnership to form a consultancy which would be able to offer a greater range of services to clients over the whole spectrum of construction related activities. We see this as a natural progression in using the skills and expertise of the larger workforce and an opportunity to use those skills to generate additional income which will eventually be able to reduce the contributions for each Partner Authority.
- 2.5.9 It is possible to operate this service as additional to that required under the Building Act, for the benefit and welfare of the community. However, we would not be able to make a profit as we are governed by the Local Government Act 2000. This will mean that the consultancy will run at cost and was given approval from the Joint Committee in September 2008 to operate under the powers of the Local Government Act 2000. Should we to look to operate the consultancy as a business, to generate an additional income surplus then the consultancy would have to be a separate Local Authority Company (LAC).
- 2.5.10 We are at present obtaining legal advice on the requirements of moving the Partnership to a Local authority company. We would then be operating in a different way which would allow for a commercial consultancy area to exist. The legal aspects are a very important part of the investigation into forming a LAC but a completely new option appraisal and business plan would need to be presented to the Joint Committee and to each Council if that proved to be the route Members wished us to take.
- 2.5.11 However, the same legal investigations should be able to allow us to resolve the viability of any form of consultancy being a commercial LAC of the Partnership and this will be one of our main objectives through 2009/10.
- 2.5.12 We will also be looking to improve our income by successful marketing and business development. We were pleased to report a 3% increase in market share (income) in the first half year of trading and will be looking to hit a 5% increase next year. We are in negotiation with KCC with regard to their schools program where we would be the partner for all applications in Kent. We are also hoping to increase our Partner companies, expanding the client base we currently have.
- 2.5.13 Another way we can influence our financial balance is by making savings. Accommodation costs are a major part of our expenditure. We were required to move by November 2008 and our initial investigations revealed suitable accommodation in a nearby location at a cost of £16 per sq ft. However, we were able to negotiate a move within our original complex at a cost of £12.50 per sq ft

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which also achieved our three priorities; ease of customer access, good connections to Swale and Gravesham and staff accommodated on one floor.

- 2.5.14 We have already discussed savings in lost time by re-arranging travel to and from the main office, however, there would also be savings in travel expenses as one surveyor would be able to arrange for a more economical route if carrying out site inspections all day. This could save a further £5k per annum on travel costs.

## 2.6 **Staff:**

- 2.6.1 In order for professional staff to keep up to date with changes in products or procedures it is important to maintain their individual training needs. One of the sessions at the awayday concentrated on personal development and how individual aspirations and targets dovetailed with those of the business. A separate working party was then set up to design STG's own Personal Development Record (PDR) process with outcomes which tied into business objectives.

- 2.6.2 Consistency of approach is a theme we have carried through from the previous year and looked at a variety of ways in which we can ensure the same approach to builders, architects and owners. We are developing standard amendment clauses which can be used or customised by surveyors so that phraseology can be uniform in our correspondence to the agents.

- 2.6.3 We are also looking at standardising conditions which go onto conditional approvals and standard phrases for site inspections so that drop down menus would make it simple for surveyors to record site visits at the scene. This may allow for the provision of a site report to be provided on site for owners or builders to keep in order to track, progress or resolve any problems that have been highlighted.

- 2.6.4 A revised structure chart is shown at **Annexe 2** indicating the reduced staffing levels. It demonstrates a reduction of around 20% against the original transferred staff and has been achieved without the need for redundancies. Following a request from Members and officers of the Steering Group the harmonisation process was brought forward to April 2008 with all staff accepting new contracts.

- 2.6.5 Regrettably the current economic climate has required the Partnership to downsize in order to match resources with a reduced demand. Whilst the general ethos of the Partnership is to ensure the continued resilience of the service through the introduction of trainees who could train and develop to become the Partnership's surveyors of the future, it would not be prudent at this time, in such a difficult economic climate, to advertise such positions. We will of course regularly review the situation to ensure we react in good time when evidence of a recovery is at hand. Similarly the other post of business marketing consultant will remain frozen.

- 2.6.6 However, we will continue to have discussion with other Kent authorities in operating a county wide apprenticeship scheme. This would involve external funding with a minimal input from each authority. This development would ensure

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further interest in the profession from school leavers and build in further resilience to building control in Kent.

## **2.7 Outside influences:**

- 2.7.1 Clearly the economic climate will have a dramatic influence on how things progress over the next year. The reduced staffing levels will inevitably lead to changes in the manner in which the service is delivered with a greater emphasis on remote working and the continued development of the IT system to support these changes.
- 2.7.2 There are a number of other external drivers which will also have an impact on the way building control is delivered through 2009/10. The results of the consultation on the Future of Building Control will be acted upon and this will challenge some of the traditional ways in which the service has been delivered by local authorities. In particular a system of risk based inspections is proposed which deviates away from the statutory notifiable regime that currently exists. This will enable the Partnership to better focus its resources on sites which require a close examination and allow a greater freedom in the frequency of inspection where other methods of recording are taken onboard, such as photographs or videos.
- 2.7.3 Another area which will influence service and delivery is the introduction of National Performance Standards. Work with the software provider to automatically generate reports which will populate the performance measurement data that is required are well underway. The National Performance Standards are reproduced in **Annexe 1**.
- 2.7.4 The third external factor which will heavily impact on the industry is the code for sustainable houses. We already have a disparity on site where affordable homes have to be built to a higher thermal standard than private sector housing. However, the planning demand for new developments to hit level 3 or higher on new sites is bringing up the private sector element, together with consumer pressure to see demonstrable savings on energy costs.
- 2.7.5 Although this presents us with technical difficulties both on plan and on site, it does offer opportunities to sell our expertise in this field to colleagues in planning who are trying to ensure that conditions are met on site and also designers at pre-application stage who are finding it difficult to design details to comply, hence our proposal for a consultancy discussed earlier.

## **2.8 Future direction:**

- 2.8.1 We are also buying legal advice from KCC with respect to setting up STG as a Local authority company which would be the next logical step for the Partnership to make. From the outset the Partner Authorities were keen to ensure as much independence as possible, so that STG had a greater deal of flexibility with regard to Local Authority policy and procedures.
- 2.8.2 Whilst we do enjoy some flexibility we are still governed by the policy and procedures of our host authority, Medway. In order to be truly in charge of our

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expenditure and costs we do require the freedom to select the most affordable and effective support services and this would require us to have the independence of a separate company.

- 2.8.3 We will take the advice and prepare a separate business plan for Members to consider. If it appears that given the economic climate and the age of the Partnership it would not be prudent to move to this arrangement at this time, we could use the same research to apply to an arms length consultancy company which would have the benefit of independence and the ability to trade with a profit as described in 2.5.3.
- 2.8.4 The Councils agree that the respective set up contributions were Gravesham £192,730; Swale £94,873; Medway £22,063.

All surpluses derived from a commercial consultancy will be divided in the following proportions: Gravesham 62%; Swale 31% and Medway 7% and will be used to reduce the annual budgetary contributions made by each of the authorities in the following financial year. The sum representing each authority's respective proportion of the surplus will be deducted from that authority's annual budgetary contribution originally calculated from the budget sheet. This process will continue until the set up contributions are repaid in full or the Partnership dissolved.

If the set up contributions are not repaid in full by the date of dissolution of the Partnership, the Councils will, within 6 months of the date of dissolution, agree the manner in which the outstanding amounts of set up contributions shall be repaid.

- 2.8.5 The action plan derived from these objectives is shown overleaf.

## ACTION PLAN

Ownership	Objective	Action	Milestone	Outcome
Operations Manager	Remote working Full use of tablet pc's on site	Tablet pc's to be able to connect to MIS software from site and home. Full functionality with back office systems.	Link with T mobile achieved by April 09. Training for surveyors completed by June 09. System tested and launched by August 09.	More effective use of resources and improved working practices.
Managing Surveyors	Develop key account holder service.	Identify suitable candidates. Approach regarding LABC Partnering Scheme. Identify demand and link with suitable resources.	Evaluation of candidates by May 09. Level of service agreed by June 09. Suitable agents signed up between July and Sept 09.	Improved consistency for customers.
Head of Administration and Business Development	Increase income generated by commercial works by 10%.	Identify potential leads from planning lists as early as possible. Aggressive marketing for work including discounted fees and improved service delivery. Additional services supplied through consultancy. Matching resources with demand.	Improved communications with internal departments at each authority by April 09. Specific marketing brochure prepared for commercial contracts by June 09.	More sustainable fee income.
Director	Reduce support costs including accommodation by 5%.	SLA's to be continually monitored. Competitive tendering for services. Examine different ways of working to make efficiency savings.	Monthly monitoring of support costs SLA's by April 09. Examine best practice at other authorities by July 09.	Effective budget monitoring.
Operations Manager	Staff development to increase enforcement activity by 10%.	Training for staff on enforcement, prosecution and expert witness legislation. Examine use of specialist for enforcement activity. Improved intelligence through better links with other departments.	All surveyors trained in basics of enforcement by June 09. Specialists identified in each team with a performance measurement target by Sept 09.	Greater public protection.
Director	Introduction of an apprenticeship scheme.	Examine potential for different types of apprenticeship schemes. Investigate external funding opportunities.	Research schemes and select appropriate ones by May 09. Evaluate cost and funding streams by	Building in resilience to the service.

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Ownership	Objective	Action	Milestone	Outcome
		Examine best practice examples for schemes in the construction industry.	July 09. Discuss application through Kent Building Control by Sept 09.	
Director	Adoption of "Future of Building Control" recommendations.	Examine conclusions of consultation documents. Draw up improvement plan for implementation. Adopt new performance standard targets	Examine recommendations by end Apr 09. Draft action plan for adoption by June 09. Apply action plan throughout 2009/10.	Improvements to service and adoption of National Standards.
Operations Manager	Develop skills and knowledge of surveyors on sustainable construction issues.	Training for staff on Code for Sustainable Homes. Further training on L1 and L2, SAPs and SBEMs. Project team to be formed to advise on large residential and commercial applications.	All surveyors trained on basic sustainability requirements by end July 09. Project team to be formed by Aug 09. L1/L2 revision training by Nov 09.	Marketing opportunity and better equipped staff to deal with environmental/sustainable issues.
Director	Investigate opportunity for the Partnership to become a Local authority company.	Legal advice required for development plan. Risk/benefit analysis to be carried out. Staff consultation to be carried out.	Legal constraints to be identified by May 09. Staff consultation through June 09. Risk analysis to be carried out by Aug 09. Business plan prepared if necessary by Oct 09.	Development of Partnership to achieve independence.
Director	Form a consultancy as part of STG or as a separate commercial arm.	Legal advice required for development plan. Market research to determine customer demand. Marketing campaign to advertise services to customers.	Legal constraints to be identified by May 09. Market research to be carried out by June 09. Marketing campaign through June/Aug 09.	Better use of resources and potential income stream.

### **3. BUILDING CONTROL SERVICES**

- 3.1 The main function of the building control service is the checking of building plans, the inspection of building work in progress and appropriate enforcement to ensure all relevant building work complies with the Building Regulations. The majority of plans submitted and building work inspected are altered and amended through the intervention of building control surveyors to achieve compliance with the building regulations. The service therefore provides significant value for us all in achieving minimum standards of health and safety, sustainability, access for all in and around buildings and, importantly, protection through enforcement where necessary.
- 3.1.1 The majority of building projects are required to comply with the Building Regulations 2000 (as amended).
- 3.1.2 The Regulations exist to ensure the health and safety of people in and around all types of building. They also provide for energy conservation and for access and facilities for disabled people.
- 3.1.3 Important examples of health and safety requirements include fire safety (means of escape, fire spread and access for the fire service) structural safety and satisfactory drainage.
- 3.1.4 The primary responsibility for compliance with the Regulations rests with the person carrying out the building work. This will usually be the builder but could also be the building owner or person responsible for having the work carried out. The person carrying out the work will normally require a building control body to ensure Building Regulation compliance.
- 3.1.5 Competition with the private sector has existed for this service in respect of housing since 1985 and from 1997 in the commercial sector.
- 3.1.6 Enforcement of the Building Regulations does not form part of the fee earning service. Enforcement of the building regulations can only be carried out by Local Authority Building Control. Power to enforce has not been given to Approved Inspectors.
- 3.1.7 Local Authorities have a duty to ensure that building work complies with this Building Regulations (Section 91 of the Building Act 1984). If our requests to rectify contravention fail then as a last resort more formal action is used. There are two courses of action available:
- (1) Prosecution of the builder in the Magistrates Court under Section 35 of the Building Act 1984. In most cases action must be started within six months of the contravention being discovered. The period of discovery being extended in 2008 to two years from the date the works were completed.



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

## 3.2 The Government have stated:

- 3.2.1 “The Energy White Paper produced by the Government acknowledged the reality of climate change and stated a commitment to putting the UK on a path to cutting carbon dioxide emission by 60% before 2050 with real progress by 2020.
- 3.2.2 With around half of the CO<sup>2</sup> emissions coming from building energy use, the Building Regulations are a key part of Government efforts to tackle climate change through higher building standards. DCLG recognise that Building Control professionals are at the fore front of these efforts.”
- 3.2.3 This key message from the Government and the demand from the construction industry for pre-application advice and discussion means it is imperative STG invest in training a project team to provide the lead and the service that is required. The project team would consist of five surveyors fully trained as energy assessors able to produce and check the necessary calculation require to issue Energy Performance Certification and SBEM/SAP calculations for both residential and commercial premises. We already have two lead surveyors trained and qualified to take the project team forward.
- 3.2.4 Non fee Earning – there is a large proportion of non fee earning work that is still needed to be carried by the Partnership, which is resourced through the contributions from each Local Authority and equates to about 26% of the Partnership staff time. This includes responding to dangerous structures, demolition notices, monitoring of Approved Inspectors, registration of self certification schemes, general enquiries and pre-application advice.

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Month	Total Non-Fee Work		
	G	M	S
Jan	54	144	112
Feb	0	0	4
Mar	21	26	12
Apr	77	129	69
May	63	196	173
Jun	69	196	173
Jul	84	242	208
Aug	307	566	549
Sep	344	2171	1066
Oct	1678	1879	563
Nov	629	2724	438
Dec	251	1712	1084
<b>TOTAL</b>	<b>3577</b>	<b>9985</b>	<b>4451</b>

	G	M	S
<b>Cavity Walls</b>	562	2073	1156
<b>Complaints</b>	1	4	1
<b>Contravention</b>	3	1	0
<b>CPE</b>	2912	7723	3088
<b>Dangerous Structures</b>	59	107	48
<b>Demolitions</b>	17	30	18
<b>Disabled</b>	57	99	140
<b>Exempt Buildings</b>	12	16	2
<b>FOI</b>	2	1	2
<b>HIP</b>	140	333	139
<b>Informal Notices</b>	28	38	10
<b>Initial Notices</b>	37	114	57
<b>Land Charges</b>	0	0	269
<b>Pre-Submission</b>	10	30	21
<b>Unauthorised Works</b>	33	125	50
<b>TOTAL</b>	<b>3873</b>	<b>10694</b>	<b>5001</b>

## 4. MARKETING AND BUSINESS DEVELOPMENT

4.1 At the outset of the Partnership it was agreed that the marketing strategy should focus primarily on the high value, low volume commercial market, ie developers, housebuilders and their professional advisers.

4.2 The effects of the credit crunch on the economy has severely hit the housebuilding market. Whilst this was an area we targeted to make gains in, STG already faced significant competition in this area from the NHBC which had the advantage of offering a well established warranty scheme and road bond scheme. The market for housebuilding has shrunk considerably with many schemes being put on hold or shelved for the foreseeable future.

4.3 The commercial sector has not been hit to the same degree but is cautious in how, when and where it builds. The reduction in the market in general has inevitably increased the competition in the areas remaining with Corporate Approved Inspectors offering considerable discounts to win the work.

### 4.4 *Our Customers*

4.4.1 We have looked at ways that we can improve our market share by engaging our customers to a greater extent. We have a number of diverse customers to service and each can be influenced differently. Our customers and the planned improvement are:

4.4.2 **“Applicants”** – our function is to ensure that their property is constructed in accordance with the Building Regulations. Plans Approval Notices and

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Completion Certificates are evidence of compliance and are seen as key elements of the process. They are often required when raising finance for projects. Applicants vary widely in nature between members of the public and other Council departments, to businesses and national development companies. Often applicants are having work done for them and therefore have little knowledge of the building control process. Domestic applicants will use the Building Control service infrequently.

- 4.4.3 **Planned Improvements:** We need to engage with applicants to a greater extent than at present. Domestic applicants may never see us on site and their only contact is to make a request for a completion certificate at the end of the job. We need to ensure they are aware of the negotiation advice and added value that has been brought to the job by using our services. As competition increases a number of smaller AI's or even some corporate AI's have moved operations into the Schedule 2 work that has traditionally been Local Authority Building Control territory, eg loft conversions, extensions and conversion of garages to habitable rooms. Similarly, with key account holders it is imperative we keep a good dialogue with major owners who may use the service more frequently, we will therefore be producing interim reports for major applicants to keep them abreast of progress on site and any potential problems that we can assist in resolving.
- 4.4.4 **"Agents"** – these range from architects and surveyors to builders; they can include other internal sections such as Property Services. They are generally frequent users of the Building Control service and are knowledgeable about the process. Although their knowledge of the Building Regulations is variable, they require clear guidance at an early stage as to how the regulations will affect their proposals. They are increasingly the decision makers when it comes to choice of Building Control service. Accordingly, our marketing initiatives focus on this group.
- 4.4.5 **Planned Improvements:** As these are often responsible for choosing the Building Control service for clients they are a most important group. We have done a lot of work in increasing the number of partner architects from two to nine currently, and are hoping to increase this figure still further with our local agents. However, we can also provide similar facilities to the levels of service the partner companies enjoy, ie key account working with one or two surveyors, a more consistent approach, offers of joint training with our own staff etc to selected agents to ensure they receive the highest level of service in both quality and speed of response. We will therefore be selecting a number of key accounts, with individual contact, joint training and seminars (on changes to legislation or new products), focus groups, CPD club, to ensure they stay within the service.
- 4.4.6 **"Builders"** – the main contact on site for the Building Control Surveyor is the builder. Again, their knowledge of the Building Regulations is variable. The key issues for the builder are speed of response and clarity from the Building Control Surveyor on site. They often ask for a flexible and reasonable approach to be taken.

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- 4.4.7 **Planned Improvements:** As these are the people that will produce the finished product, it is important to establish a good working arrangement on site. Costly delays in waiting for our approval of something on site could be a major factor in deciding whether to use us again or not. It is important then to ensure a speedy response for requests for visits on these major sites. Alterations to our working practices allow for visits any time during the day and with major projects weekend or evening calls. Site record books will be introduced so that a copy of the surveyors inspection report is on site at all times so that if necessary the builder can refer back to identify any necessary work and introduce a greater degree of clarity to the situation.
- 4.4.8 The regulations today are 'functional' and not prescriptive. For many years local authorities have been accused of being too prescriptive and inflexible when using new products or procedures. It is therefore important that they are up to date with products and process available to ensure compliance and it is proposed to have joint seminars with builders to ensure everyone is comfortable with how products can be used on site.
- 4.4.9 **"Developers"** – companies who undertake building work on a commercial basis at regional or national level. They often require a responsive service with uniformity of interpretation. These companies are often the ones who are given the choice of which Building Control service to use by their clients. The development market is highly competitive and often developers are working to very tight budgets and timescales. They increasingly wish to work in partnership with providers of other services such as Building Control.
- 4.4.10 **Planned Improvements:** Developers encapsulate all of the above. They have tight budgets and timescales with penalties to pay if they don't meet them. They require good feedback and clarity of situations as they are presented on site. We will be offering pre-application advice for free, use of the consultancy service at least to provide SBEM or SAP calculations and other expertise such as structural engineering and means of escape. We will meet to discuss their programme of works and advise of an inspection regime and fee payments to suit the programme. One area of work we are losing at present is the Design and Build market, where one company carries out these functions and is often tied to an Approved Inspector and we therefore lose any opportunity to bid for the work. We will therefore be targeting Design and Build companies as a potential growth area in 2009/10.
- 4.4.11 These customers require:
- Good communication at an early stage before a Building Regulation application is made in order to speed up the process.
  - Commercial confidentiality
  - Access to other Council sections through the Development Team Approach
  - Good value for money – the cost of making a Building Regulation application is one of the key factors in choosing which provider to use.
  - Uniformity and consistency of interpretation of Regulations.
  - A flexible approach within the scope of the Regulations.

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- A single point of contact for different projects.

Perhaps a key thing to remember here is that all these customer groups prefer to be helped in achieving compliance with the regulations through interpretation and communication rather than enforcement. This is a key work ethic of the STG.

- 4.4.12 **“The Public”** – maybe not direct users of the service, and whilst most will not be fully aware of the Building Control process, they will expect the Councils to act in their interest to ensure safe buildings and to deal with dangerous structures. They will often confuse the Planning and Building Control processes. Members of the public are often surprised to learn that Building Control is subject to private sector competition, particularly those who have bought a new house and have problems and find out that another provider has carried out the Building Regulations inspections.
- 4.4.13 Our continued good working relationship with the Planners forms an integral part of our marketing intelligence and a formal ‘presence’ in each of the Partner Authority’s main reception is extremely important in demonstrating our links to each authority and service to the community.
- 4.4.14 It is important that this group are made aware of how STG delivers the essential elements of public safety for all three authorities. We have publicised our functions through the local press in an article available throughout the area. However, we need to do more in the free press, at each Council’s reception and on the website in order that the general public are aware of the Partnership and its public protection duties. We will therefore have further press releases in 2009/10 and produce an end of year report which will be freely available at each Council’s receptions. We will advertise our services through each Council via reception or other service contacts, ie Planning, Trading Standards and Environmental Health. We are further improving the website to make it more user friendly and will be introducing access to application information on line through 2009/10.

## **4.5 Market Environment**

- 4.5.1 Trading conditions have been the most challenging in the last eight months and with the current downturn in the housebuilding market, and the uncertainty in the construction industry in general, competition for Building Control services is becoming increasingly challenging.
- 4.5.2 With the UK facing a serious risk of recession the larger construction companies are struggling and have reacted by moth balling sites throughout Kent. Given the significantly weaker trading environment that we have experienced this year and the continuing uncertainty over the outlook for the rest of 2009/10, we have taken significant action to restructure our business to address the changed conditions in which we operate and to optimise our position for when market conditions improve. This is to ensure our business is of the correct scale to be in line with our expectation of a weaker market.

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4.5.3 The actions we have taken include the following measures:

- removing area 5 and reallocating staff and redefining area boundaries
- downsize and restructure of the group
- investigated potential for consultancy
- investigated and initiated Continuing Professional Development (CPD) for surveyors along with partners/agents with potential to recover part of costs
- investigating potential to employ an apprentice in using an externally funded government initiative apprenticeship scheme
- appraisal of current fee structuring

We believe these actions will ensure that STG Building Control is best placed to meet the challenges of the current market and to react to any change of conditions in the future.

## **4.6 Competition**

4.6.1 A key difference that we have experienced during the current downturn has been that all the Approved Inspectors are experiencing similar trading conditions at the same time. Pressure on volumes, prices and an increase in sales and marketing costs has been experienced by all our competitors.

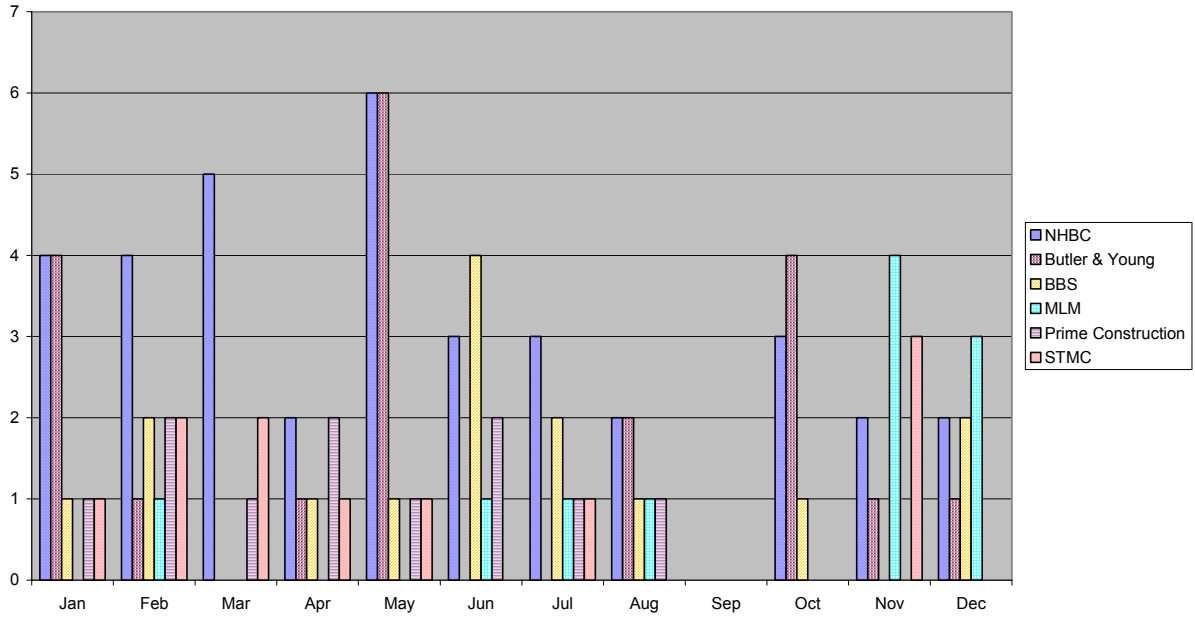
4.6.2 This is unusual, as normally one company at a time would be aggressively targeting an area on schedule 1 work. The reality is that the Approved Inspectors are struggling and are now seriously targeting schedule 2 work to maintain their businesses.

## **4.7 Market Share**

4.7.1 The graph below shows the number of applications received from six of our competitors in 2008. There are presently over 30 Approved Inspectors actively working with the STG area. We have therefore shown the top six of these Approved Inspectors. These approved inspectors have consistently submitted applications each month for work in the area.

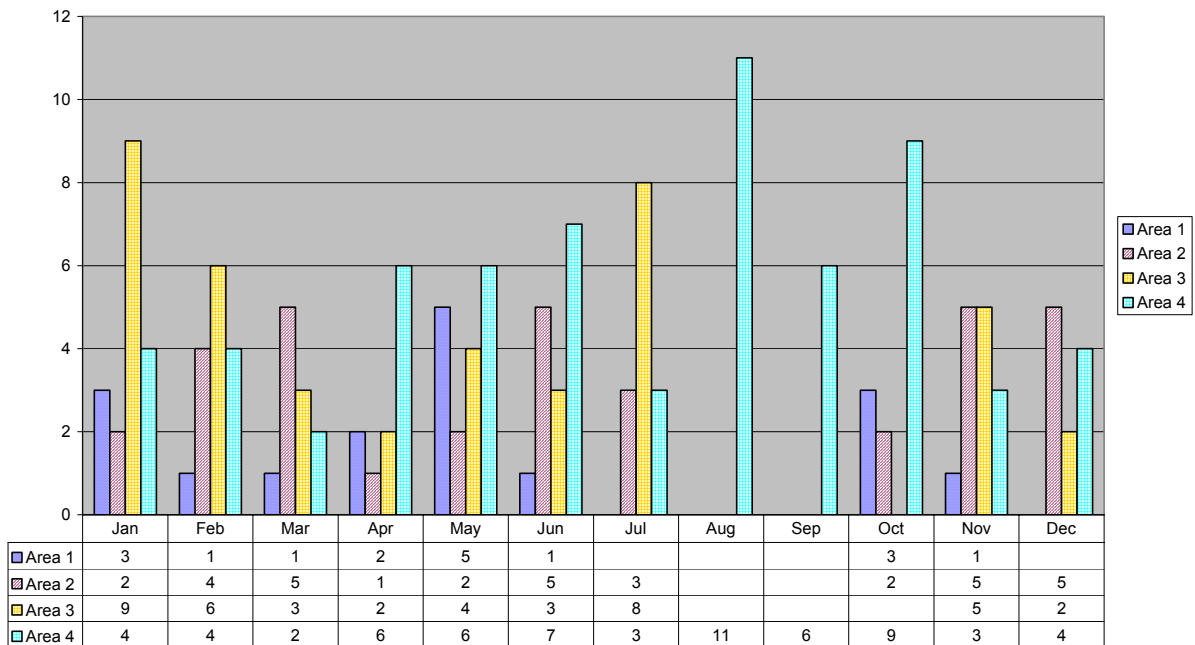
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Approved Inspector - Top 5 List  
January to December 2008



4.7.2 The chart below shows the number of applications received within each area and shows where the Approved Inspectors are targeting.

Approved Inspector applications by Area - January to December 2008



4.7.3 The key advantage we have over the Approved Inspectors is enforcement, as we are solely able to carry out this function and receive any potential fees. Investigation is currently under way to set targets for potential regularisation work based on number of individual surveyors within areas.

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4.7.4 With schedule 2 work being targeted by our competition in Area 3 and Area 4, we need to maintain communication with our builders and architects within these areas to ensure future work is submitted to STG Building Control and with the planned improvements previously described intend to maintain our market share dominance in this sector.

## **4.8 Marketing Mix**

4.8.1 The current economy has resulted in a downturn in house building (schedule 1 work). We therefore need to focus on schedule 2 and 3 work. This work relates to extensions, loft conversions and alterations within the residential area as well as the commercial market.

4.8.2 With house builders being hardest hit at the present time this we feel is slowly progressing down to other areas of the commercial market. The domestic and commercial markets are therefore seen as optimum areas for potential increase in market share. Though many residents will refrain from expenditure there are always a percentage that can or require to expand their property if unable to move. It is important to continue to win the high market share in this sector. However, fiercer competition for work also drives down prices in the construction industry making it practical for many commercial companies to expand their business opportunities by building at this time.

4.8.3 We have reviewed our fees to ensure we recover costs and remain competitive. In particular we have looked at Schedule 2 (domestic extensions etc). Work within this schedule is very costly because of the high number of inspection visits and the differing degrees of expertise in plan preparation and works on site. Given the increasing complexity of the Regulations the time and therefore cost of checking each application has increased.

4.8.5 However, with regard to the commercial work in Schedule 3 we will be introducing fee discounts based on the more realistic costs of plan vetting and site inspection based on schedules of work, work programme and the competencies of contractors on site.

## **4.9 Advertising**

4.9.1 Breaking out of the mould of local authority building control has required us to market ourselves. Currently we have run advertisements in:

- Construction National - May 2008
- REHAB –February 2009 (charitable)
- Thames Gateway – March 2009
- SEEDA – March 2009

4.9.2 Both the Thames Gateway and SEEDA enable us from March 2009 to upload news items weekly to their website which are automatically sent out to their client list weekly.



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- 4.9.3 Our website is still being improved to enable us to have greater control with the potential to upload news items weekly.

## **4.10 Signage**

- 4.10.1 Site signs have been produced which are currently displayed on the following sites:

- Springhead development, Northfleet
- Medway Hospital, Chatham
- Morrison's, Swale

Displaying these signs will ensure STG is associated with the large commercial sites with each of the authorities it covers.

## **4.11 Event Marketing**

- 4.11.1 On 24 September 2008 we attended the Construction Expo 2008 at the Dockyard. This event was attended by many of the organisations we are looking to work more closely with. It is also attended by our competitors and therefore we need to actively market ourselves on the same level.

## **4.12 Seminars**

- 4.12.1 Having researched our architects on building control requirements during July and August, we have initiated seminars. The first of these seminars was held on 15 October 2008 covering Acoustics. After this we held seminars on:

- Contaminated Land for the benefit of our partners at each authority as well as our own surveyors and
- Sustainability for colleagues and Development Control.

## **4.13 Business Development – Alliances**

- 4.13.1 Since October 2007 we have increased our partners to 9. We are hoping to further increase our partners through presentations and seminars, though many architects within the Swale area have indicated that they will be submitting to STG and therefore do not need to partner. We will however continue to pursue these avenues.

## **4.14 Planning Lists**

- 4.14.1 Reviewing the weekly planning lists for each authority we are currently writing to all those who require building regulation consent and enclosing the necessary paperwork. For the larger sites our brochure information pack is forwarded and personal contact is made.

## **4.15 Marketing Objectives**

- 4.15.1 Attached is the action plan of these objectives.

## MARKETING OBJECTIVES

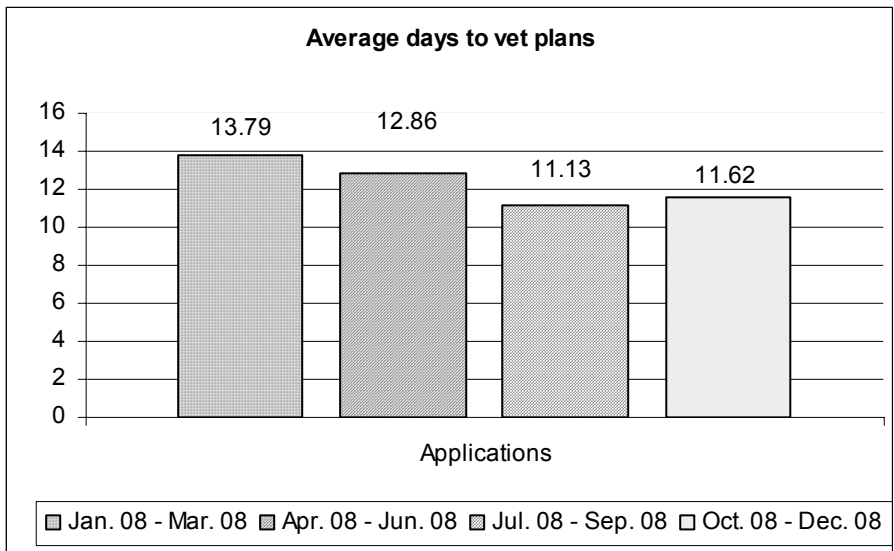
Ownership	Objective	Action	Milestone	Outcome
Head of Administration and Business Development	Increase liaison with planners at three authorities	Contact senior planners with view to attending regularly meetings.	Increased contact by March 09	Develop of in-roads into pre-application advice.
Head of Administration and Business Development	Production of reception packs	Provide packs of paperwork and basic question sheets for receptions at each authority.	All receptions conversant with new setup and paperwork by June 09.	Maintain presence and service.
Marketing Team	Give talks/presentations on STG partnership working at each authority	Identify suitable date and provide partnership talk	Authorities updated on partnership by June 09.	Re-enforcement of service.
Head of Administration and Business Development	Develop seminars for partners and agents	Identify suitable course topics and demand.	Provide courses by March 09	Develop as key source of training and potential income stream.
Head of Administration and Business Development	Liaise with development group for each authority	Establish contact to investigate potential future working	Meet with all three development agencies by June 09	Development of potential joint working
Marketing Team	Production of quarterly newsletter	Identify relevant articles of inclusion and distribution to partners, agents and planners at each authority	Production of newsletter by June 09	Maintain presence.
Marketing Team	Advertise in high-profile construction magazines	Identify suitable magazines for advertisement and editorial	Produce editorial by April 09	Compete with Approved Inspectors in high-profile literature.

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Marketing Team	Attend construction exhibition	Identify suitable exhibition	Attend by October 09	Maintain presence and develop contacts
Head of Administration and Business Development	Develop website to enable upload of news items	Establish medium to upload current large site completions and news worthy topics.	IT constraints to be identified by Dec 09 and rectified by March 09.	Become site for current and technical advice.

**5. PERFORMANCE MANAGEMENT STANDARDS**

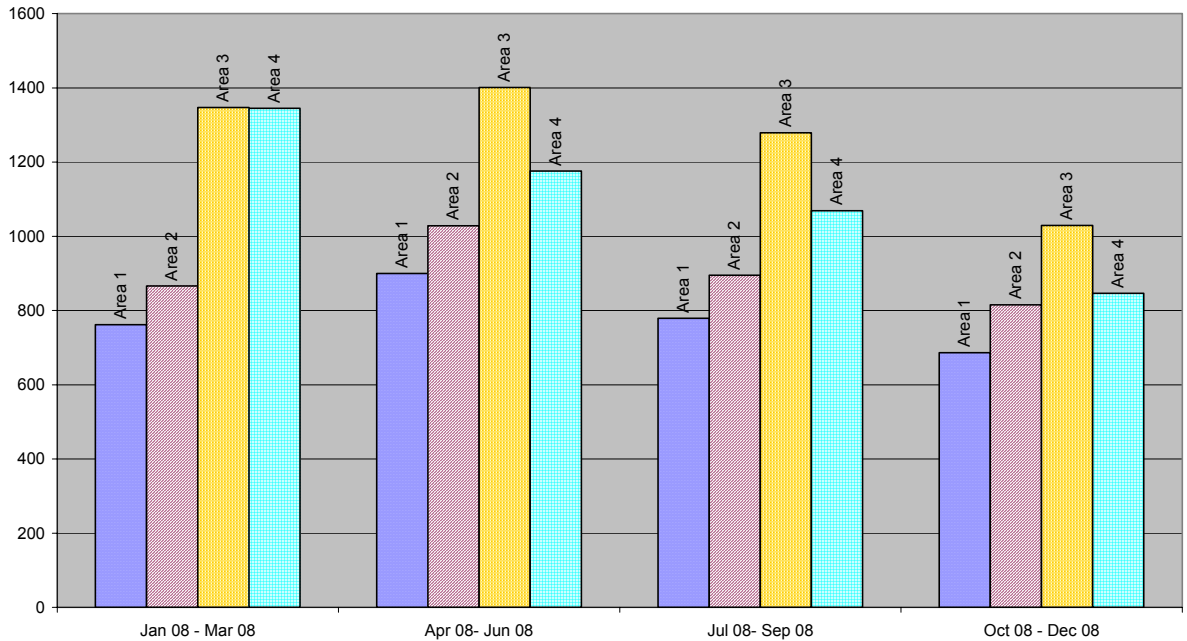
5.1 Monthly Steering Group meetings monitor the performance of the Group against a number of targets devised to test customer satisfaction. As from 2009/10 the final building control standards document as shown in Appendix 1 will be adopted. However, we will still use local indicators where they are appropriate to measure clients needs. In previous customer surveys carried out by Kent Building Control the two most important aspects of the service were the speed of checking applications and the response to requests for site visits. The first two indicators therefore reflect applications checked within 10 and 15 working days and responses to requests for visits. The graph below indicates the improvements to service we have achieved over the last four quarters and the average time taken to check applications. With the proposal to apply some of the principles of the partnering scheme to selected practices to generate a good deal of income to us through their local applications we expect to see further improvements to this through 2009/10 and we will be looking to improve on the adopted building control standards of 100% of plans checked within 15 working days.



5.2 With regard to site inspections we have continued to offer the same day service when notified before 10am. However, there has been a significant take up of the improved service we now offer regarding early morning visits. In response to this we now assure customers of those early morning visits when notified by 4pm the previous day. The statistics for the last four quarters for site inspections over the four areas are shown below:

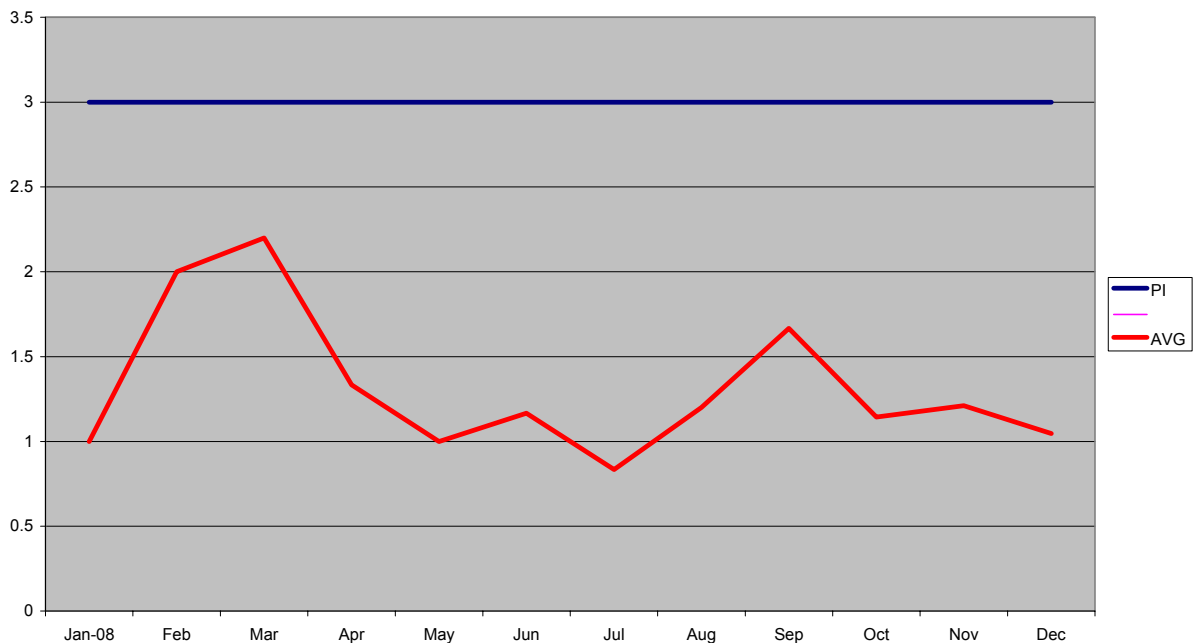
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Quarterly Inspection by Area



5.3 It was also identified in the surveys that customers wanted an early acknowledgement of their application and details of the next process and who was dealing with it. This has been addressed through our acknowledgement letter and a target time of 3 days given to the technical assistants to validate the application and respond to the agent or owner. The graph below indicates the average processing time against this performance indicator over the last three quarters. This demonstrates that we have achieved 100% in this performance indicator.

Average processing days per month against Performance Indicator



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5.4 Another important client group that requires responses in set time limits are solicitors and conveyancing companies dealing with house sales. The introduction of Home Improvement Packs has increased the demand in this area. As this was a new service in 2008/09 we set a target of 10 days for responses. The graph on the next page indicates performance against that target where we have achieved between 82% to 100%.

## 5.5 Benchmarking

5.5.1 Local Authority Building Control has been working with the Audit Commission to produce performance indicators for building control and these are reproduced in Appendix 1. However, because of the competition element to the service and the vast range of duties, local authority building control units carry out, it has not been possible to produce a set of indicators which can easily be benchmarked against.

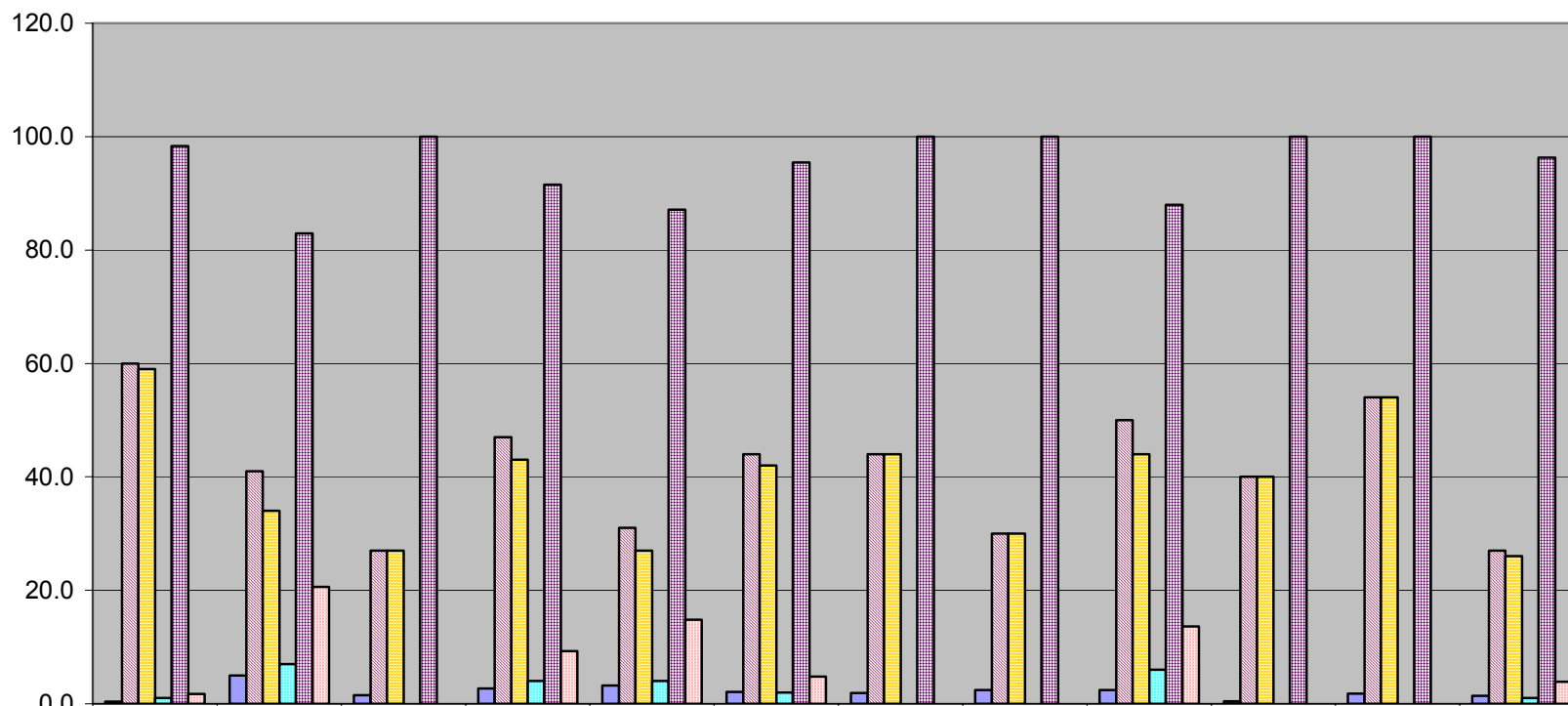
In order to address this balance the Quality Performance Matrix has been introduced. The matrix looks at nine key areas:

- Enforcement and complaints
- Quality Management and Financial
- Accessibility of the service
- Customer communication
- Service initiatives
- CPD, staff training and qualifications
- Consultation, assessment of plans and archiving records
- Site inspection, completion and archiving of records
- Review of overall performance.

The Partnership is reviewing its operation against each of these criteria through 2008/09 and the resultant score out of 100 will enable a benchmark to be set which can be compared to other Partnerships or highly ranked local authorities throughout the UK.

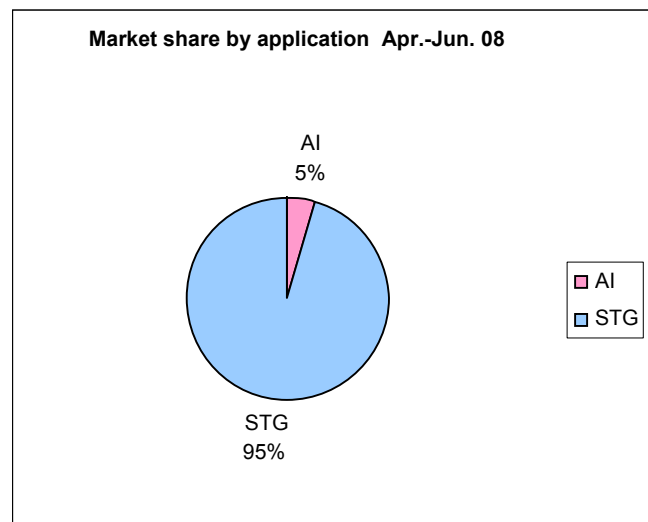
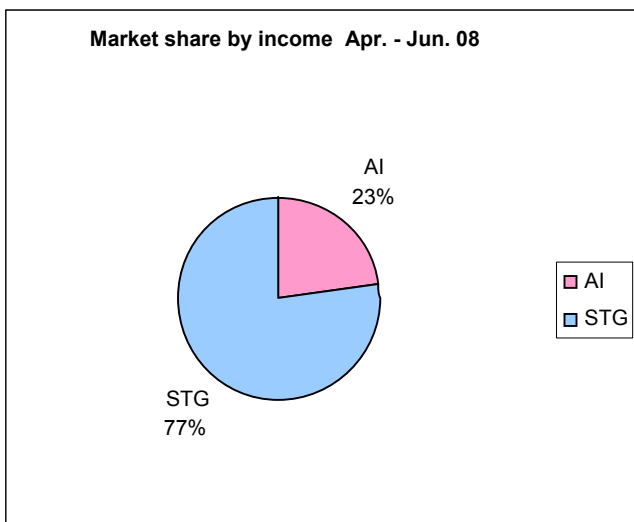
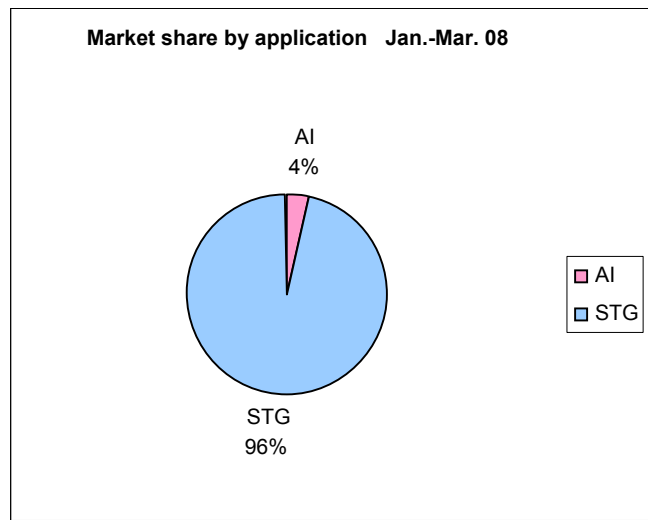
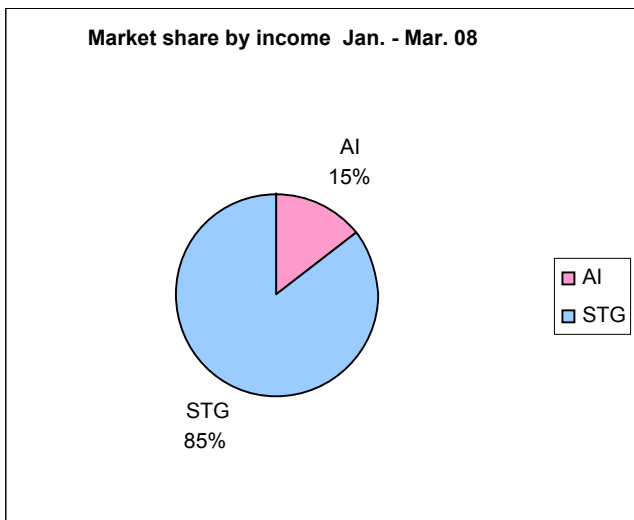
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## HIP Processing



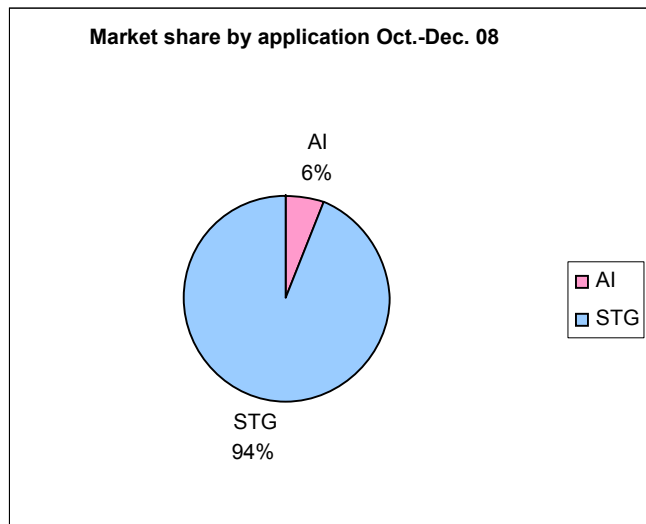
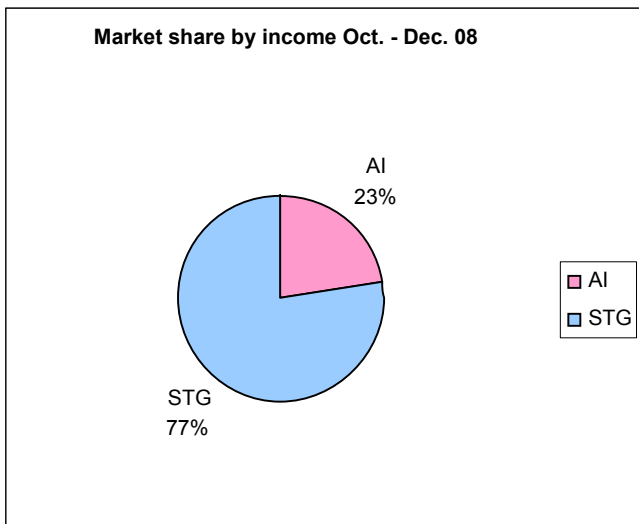
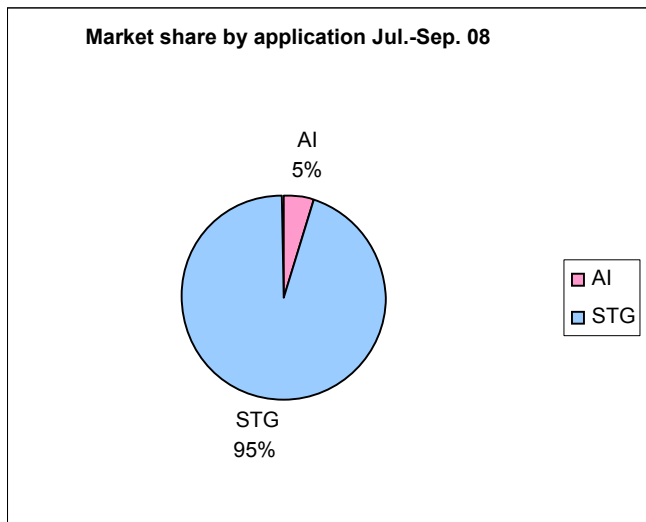
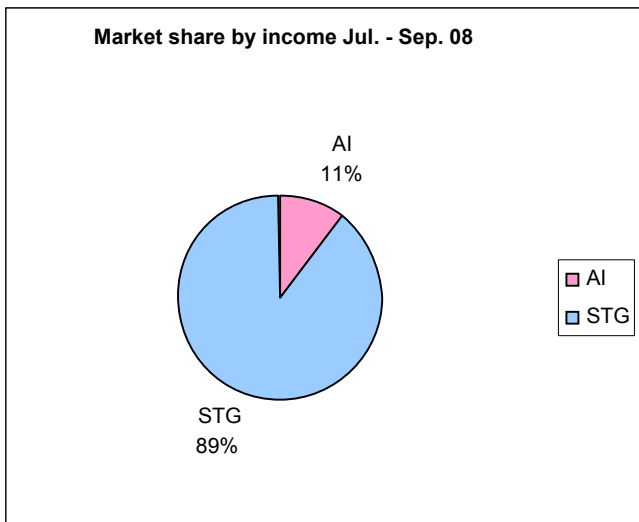
	Jan-08	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
■ AVG days	0.4	5.0	1.5	2.7	3.2	2.1	1.9	2.4	2.4	0.4	1.8	1.4
■ No apps received	60	41	27	47	31	44	44	30	50	40	54	27
■ No apps < 10 days	59	34	27	43	27	42	44	30	44	40	54	26
■ No apps > 10 days	1	7	0	4	4	2	0	0	6	0	0	1
■ % responded < 10 days	98.33	82.93	100.00	91.49	87.10	95.45	100.00	100.00	88.00	100.00	100.00	96.30
■ % responded > 10 days	1.69	20.59	0.00	9.30	14.81	4.76	0.00	0.00	13.64	0.00	0.00	3.85

5.6 As part of our performance measurement with regard to marketing our aim from the previous business plan was to increase the income share by 5%. Details of the last four quarters showing both the numbers of applications and the market share are shown below. The benchmark when the Partnership was set up was 71% market share by income and we are on course to hit our target of 76% for 2008/09. However, the economic climate described earlier has meant a far more aggressive market exists for competition with the Approved Inspectors and therefore for 2009/10 we will be aiming for a market share of around 78%.





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## 6. FINANCIAL ARRANGEMENTS

- 6.1 In order to meet the timetable required by the Constitution a Business Plan was prepared in the summer of 2008 and a draft presented to the Joint Committee in September 2008. Following certain revisions a final draft was approved by Members in November 2008.
- 6.2 However, the effect of the credit crunch and subsequent recession began to reveal itself through the monthly monitoring process. Whilst building control tends to be seasonal with the third quarter being the quietest, the usual recovery in the final quarter of the year would not materialise in 2008/09.
- 6.3 The predicted activity for 2009/10 remains low with the recession running longer and deeper than first forecast. Maintaining the Partnership's structure which had transferred in October 2007 would not be viable given the expected workload and income.

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- 6.4 In order to better match resources with likely demand a number of actions have been taken to mitigate against a reduced income. This has resulted in a 20% reduction in staff and implementation of measures to generate additional income.
- 6.5 The budget table below indicates the original draft Business Plan figures together with the revised figures showing the reduced costs and the effects of percentage falls in income.
- 6.6 Given the savings that have been made and additional income through fee changes and consultancy work the budget would be balanced given a 20% fall in income.
- 6.7 Should the impact of the recession be greater, giving a 30% fall in income the effect on each Council's contributions are shown in the "deficit funding requirements" row with a consequent figure for a 40% drop in income. However, monthly budget monitoring reports will be presented to the Steering Group and subsequently to Joint Committee indicating the current and forecast positions for the budget. Should these indicate that income trends reflect a move towards a deficit position, further mitigating steps will be introduced to make further savings and economies of scale in order to offset the need for Councils to fund such a deficit. Any call on the partner councils to make additional contributions would only be as a last resort and after consultation with Steering Group and Joint Committee members.
- 6.8 The contributions for each authority for core (non fee-earning) work are unchanged from the initial business plan but now represent 26% of total activity rather than 23%.
- 6.9 Through the setting up of the Partnership and the provision of services through one unit there has been an aggregate saving to the three authorities of £385,000. This figure is an annual saving and substantiates good financial reasons for bringing the Partnership together.
- 6.10 It is impossible to predict when the recovery in the construction industry will occur or which sector will recover first. However, it is clear that it will be coupled with fierce competition for both work and experienced staff.
- 6.11 The Partnership has to ensure it is in the best position to take advantage of an upturn in work, competing over the full range of services with the private sector. It is essential that through the careful workforce planning that has been undertaken we maintain the skill, professional, experienced staff to deliver a first class service. It is also essential that the expertise of the remaining staff are put to best use in delivering alternative services through the consultancy. It is important that an investment is made in training to ensure staff are fully equipped with the necessary skills to deliver a wider range of products to our customers.
- 6.12 Under The Building (Local Authority Charges) Regulations 1998, a local authority, or in this case the Partnership, is required to estimate a reasonable amount which represents the aggregate of the proper costs during a three year period. It then needs to determine its fees and charges scheme aligned to an estimate of the numbers of applications which will balance out that cost. By taking the actions we

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have to reduce the size of the operation to reflect the economic forecast we will be better equipped to meet that requirement.

STG – Potential Impact of downturn in economy (after review of cost base)

	Draft Business Plan £000s	Staff Numbers (FTE)	2009/2010		
			Revised Business Plan		
			20% fall in income £000s	30% fall in income £000s	40% fall in income £000s
Staff	1,537	34.5	1,537	1,537	1,537
Buildings	98		98	98	98
Transport	63		63	63	63
Supplies & Services	87		87	87	87
Support Services	75		75	75	75
<b>Total Cost</b>	<b>1,860</b>		<b>1,860</b>	<b>1,860</b>	<b>1,860</b>
- Vacancy provision removed			45	45	45
- Recalculated salaries due to changes in staff circumstances			(15)	(15)	(15)
- Vacant Building Control Surveyor post used to fund two trainees and an apprentice position in 2009/10 now frozen		(3.0)	(46)	(46)	(46)
- Temporary Building Control Surveyor post frozen		(1.0)	(43)	(43)	(43)
- Two Building Control Surveyor posts frozen following retirements		(2.0)	(63)	(63)	(63)
- Temporary Research Assistant post frozen		(1.0)	(22)	(22)	(22)
- Budget for temporary Administration Assistant removed			(25)	(25)	(25)
- Removal of market premia for six months			(35)	(35)	(35)
- Savings on buildings costs			(7)	(7)	(7)
- Increase in supplies and services costs			12	12	12
<b>Revised Total Cost</b>	<b>1,860</b>	<b>27.5</b>	<b>1,661</b>	<b>1,661</b>	<b>1,661</b>
Contributions from constituent authorities for non chargeable functions					
			Medway	(227)	
			Swale	(115)	
			Gravesham	(86)	
Fee income	(1,463)		(1,170)	(1,024)	(878)
<b>Total Income</b>	<b>(1,891)</b>		<b>(1,598)</b>	<b>(1,452)</b>	<b>(1,306)</b>
- realisation of increase in fee charges from 01/01/09 and anticipated income from consultancy work			(63)	(63)	(63)
<b>Revised Total Income</b>	<b>(1,891)</b>		<b>(1,661)</b>	<b>(1,515)</b>	<b>(1,369)</b>
<b>Net (surplus) / deficit</b>	<b>(31)</b>		<b>(0)</b>	<b>146</b>	<b>292</b>
Analysis of deficit funding requirement			Medway	(0)	155
			Swale	(0)	79
			Gravesham	(0)	58

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## Footnote:

- a) Depending on the legal advice referred to in 2.5.10 a new options appraisal may be submitted putting forward a business case for the Partnership to become a Local Authority company.
- b) Premises costs include rent, landlord's insurance, landlord's service charge, NNDR, electricity, gas, cleaning and trade waste and water charge and reflect an 8.3% saving on the previous year.

# DRAFT

Below is a table indicating a number of budget caveats and risks which should be read in conjunction with the forecast budget.

BUDGET MANAGER: Tony Van Veghel			SERVICE: STG Building Control Partnership						
ELEMENT OF SERVICE TO WHICH RISK RELATES	LIKELY BUDGET GAP £	RISK	LIKELYHOOD OF RISK			IMPACT OF RISK ON BUDGET			RISK REDUCING ACTIVITIES (Including Information & Training requirements)
			H	M	L	H	M	L	
Fee earning account	146,000	Unpredictable income dependant on economy, confidence, interest rates, development costs etc could result in a 30% fall in income. This would result in additional budget contributions from each authority in the agreed proportions, ie Medway £77,000, Swale £39,000 and Gravesham £29,000.	✓			✓			Ensure staff are fully trained to deliver a range of consultancy services to generate additional income. Increase enforcement activity to generate additional income through regularisation applications.
Fee earning account	292,000	Unpredictable income dependant on economy, confidence, interest rates, development costs etc could result in a 40% fall in income. This would result in additional budget contributions from each authority in the agreed proportions, ie Medway £155,000, Swale £79,000 and Gravesham £58,000.		✓		✓			Ensure staff are fully trained to deliver a range of consultancy services to generate additional income. Increase enforcement activity to generate additional income through regularisation applications. Review of staffing structure to reduce overall costs.
Fee earning account	75,000	Loss of further 5% market share to the private sector through increased competition.		✓			✓		Increased marketing to maintain market share. More competitive fee structure to give flexibility.

# DRAFT

									Enhanced service to win work.
Non fee earning account	20,000	Additional legal costs through more proactive enforcement work.			✓			✓	Most cases resolved through negotiation. Only use legal services as last resort. Apply for costs where cases are taken to court.
Increased debt	30,000	Current economic situation leading to increased debt arising from unpaid invoices.			✓			✓	Careful monitoring of debtors list. Vigorous pursuit of large debts. Files clearly marked where invoice remains unpaid so site surveyor can pursue on inspection. Offer planned payment scheme.

# DRAFT

## CONCLUSION

- 7.1 The awayday provided the opportunity for all staff to focus on the needs of the Partnership and how each person could contribute to its success. Presentations from each workshop were remarkably consistent on the benefits joint working had brought and the opportunities it gave for improved customer service and business development for the future.
- 7.2 Below are the goals the team expect to achieve by March 2010 with the support and direction of the business plan.

<u>Goal</u>	<u>Development path</u>
<ul style="list-style-type: none"><li>• Consultancy</li></ul>	To use and develop the skills and expertise within the group to deliver a wider range of services and generate additional income.
<ul style="list-style-type: none"><li>• Apprenticeship</li></ul>	To introduce enthusiastic apprentices and trainees to ensure resilience within the service.
<ul style="list-style-type: none"><li>• Local authority company</li></ul>	To investigate and develop a business case for STG to have its own identity and to operate more freely.
<ul style="list-style-type: none"><li>• Marketing</li></ul>	To increase market share of commercial projects through the involvement of a dedicated marketing position.
<ul style="list-style-type: none"><li>• Staff Retention</li></ul>	To retain staff and develop individuals to their full potential through the PDR process and mentoring support.



# *Building Control Performance Standards*



# Building Control Performance Standards

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# Message from Angela Smith and Edwina Hart

The Building Regulations aim to ensure the health and safety of building users, promote energy efficiency, facilitate sustainable development and contribute to meeting the access needs of disabled people. They provide a framework of flexible functional requirements within which buildings can be designed and constructed. The role of building control is to help ensure that all relevant building work accords with these objectives, but at the same time this service should be effective, efficient and minimise cost and delay for those carrying out such work. This document is about how building control providers can work to deliver these objectives and recommends standards of performance.

Since the introduction of Performance Standards in 1999, Building Control Bodies have incorporated them into their day to day working practices. Performance Standards are of increasing importance as the need for compliant buildings rises to match public expectations and the demands of public policy in relation to the performance of buildings.

We are grateful to the members of the Building Control Performance Standards Advisory Group, working under the Chairmanship of Michael Finn, for their hard work in revising and updating these standards and guidance. We also particularly welcome their key role in the development of Performance Indicators, launched in parallel, applying across the private and public sectors. We hope their efforts will be rewarded by Building Control Bodies delivering a high quality of service to customers.

These initiatives aim to build delivery excellence into the building control process and assist Building Control Bodies to monitor progress towards that end, particularly with regard to self-review and continuous improvement. We commend these initiatives to their attention.



**Angela Smith**

Parliamentary Under Secretary of State  
Department for Communities & Local Government  
June 2006



**Edwina Hart**

Minister for Social Justice and Regeneration  
Welsh Assembly Government  
June 2006

# Foreword

Before 1997 there were only two bodies operating in the Building Control arena in England and Wales: Local Authorities, consisting of approximately 400 Councils, and NHBC Building Control Services Ltd an Approved Inspector.

In the face of emerging competition the associations representing Local Authorities developed a model policy and level of service document which was adopted by most Councils. The operations of NHBC Building Control Services Ltd. were governed by policy guidelines endorsed by Ministers of the day at the time the company was approved.

January 1997 saw choice widened considerably with the approval of many more Approved Inspectors and from April 1999, Councils were authorised to set their own fees for carrying out the Building Regulation function. In the light of these and related developments it was considered that the time was right to develop an Industry wide agreed set of Performance Standards under which Building Control Bodies (“BCBs”), public and private sector, could offer competing services and against which all could be measured.

With encouragement and support from Nick Raynsford MP, the then Minister for Construction, a Steering Group and a working party developed the Standards and Guidance. They set out the Standards necessary to be adopted by all to achieve best operational practice in the light of differences in the legislation affecting the public and private sectors.

Since publication of the Standards, the Building Control Performance Standards Advisory Group has continued to meet regularly, in order to oversee their implementation, draw up performance indicators and review the effectiveness and currency of those Standards. To this end, a comprehensive consultation and survey was commissioned by ODPM in 2004 both to suggest likely improvements, and to generate suggestions toward the creation of meaningful Performance Indicators reflecting current practices. This updated document is the result of those deliberations.

The Advisory Group considers that it has fulfilled the first part of its remit and that the remaining task of actively monitoring against these standards remains to be addressed.

We commend this updated and expanded document to the attention of all BCBs.



Michael Finn (Chair)  
Building Control Performance Standards Advisory Group  
June 2006

# Introduction

Competition between local authorities and approved inspectors in the provision of building control services throughout England & Wales provides a stimulus to greater efficiency and higher standards of service to the customer. However, these same market forces also have the potential to drive down building control standards, thereby threatening the health and safety of building users. It is to guard against this possibility that Performance Standards were originally formulated.

In March 1998, the Minister for Construction welcomed the setting up by the Construction Industry Council (CIC), the Local Government Association (LGA) and the Association of Consultant Approved Inspectors (ACAI) of a Building Control Services Steering Group to prepare standards, which, taken with suitable monitoring arrangements, would help to ensure that a satisfactory level of building control is achieved.

The resulting document was based on the work of the Steering Group and of the Performance Standards Working Group which it set up. It set out, for the first time, recommended Standards for the performance of building control, to be adopted by all BCBs.

The Standards were supported by Guidance on how they might be achieved, analogous to the functional requirements of the Building Regulations and the Approved Documents supporting them. It was considered that they could also form the basis of any service agreements between BCBs and their clients. The original document has now been reviewed resulting in this new publication, which will be kept under review by the new monitoring body whose terms of reference are to:

- keep under review the effectiveness of the standards and guidance published in the second edition of “Building Control Performance Standards” (June 2006) and make recommendations for revisions of the standards and guidance,
- advise stakeholders on the monitoring and performance of the Building Control Performance Indicators (BCPI) system,
- consider whether and how feedback from the BCPIs should be centrally collected, collated and published,
- consider complaints from building control bodies, other statutory bodies and other parties with an interest in relevant building work, that building control bodies have not acted in accordance with the Building Control Performance Standards; where appropriate, to refer such complaints to relevant other bodies; and/or to make recommendations to the building control bodies concerned on prevention of future non-compliant action, and
- consider how such complaints may influence the setting and monitoring of building control performance standards.



This document relates to the assessment of plans and the inspection of building work in progress and the giving of certificates at completion of work. It also deals with the keeping of adequate records in respect of plans assessment and site inspection.

This document is written against the background of the current provisions of the Building Act and the associated regulations. There are different procedural frameworks applicable to building control by local authorities and by approved inspectors. However, the essential tasks of assessing plans and inspecting work are the same. The Standards and Guidance which follow establish the level of performance considered essential as a minimum in carrying out those tasks in such a way that a BCB's duties and liabilities under the legislation are adequately discharged.

Although the building control process in itself does not guarantee 100% compliant buildings the acid test of effective building control is its success in helping to achieve reasonable standards of health & safety, energy conservation, accessibility and sustainability for building users. Building control does not however remove the obligation of the person carrying out the work to achieve compliance with the Building Regulations, so the construction industry has an enormous part to play. It may be difficult to measure in precise terms the success of building control in helping the industry achieve compliance. However, all BCBs should undertake some form of qualitative analysis, as a basis for continuous improvement and in this connection the Performance Indicators are designed to assist the process.

# Standards for Building Control

## 1. POLICY

Every BCB shall adopt, publish and make available on request, a formal policy for the provision of its building control service in a manner that meets its legal duties and is effective in helping to achieve the compliance of building work with the Building Regulations.

## 2. RESOURCES

The BCB shall deploy sufficient experienced and qualified staff, appropriate to the type of building control work undertaken.

In the light of current and forecast workloads, sufficient resources should be allocated by the BCB to enable it to discharge its duties with reasonable skill and care and to comply with these Standards. A formal review of resources and staffing shall be regularly undertaken, to address fluctuations in workload, and the results should be documented and made available for audit.

## 3. CONSULTATION

The BCB shall undertake all statutory consultations in a timely manner and the observations of consultees should be forwarded to clients. It shall consider the possible desirability of undertaking additional consultations. It shall where appropriate co-operate as far as possible in an integrated approach to development consents.

## 4. ASSESSMENT OF PLANS

Where assessment of plans is undertaken, clear information shall be communicated to the client regarding:

- non-compliance with the Building Regulations
- views of statutory consultees
- conditions pertaining to the approval or passing of plans
- remedies available in the event of a dispute over compliance.

**Records of the plans assessment process:** records shall be kept of the design assessment philosophy, and any statutory and/or discretionary consultations, for future reference and continuity of control.

## 5. SITE INSPECTION

**Site inspection regime:** the BCB shall adopt an appropriate site inspection regime which takes full account of relevant factors such as:

- the degree of detail in the design assessment process
- the nature of the work
- experience of the builder
- complexity and rate of build
- unusual or high risk features
- notification arrangements
- key construction stages.

Relevant factors should be assessed at the outset and regularly reviewed so that effective control is maintained for the duration of each project, with adequate site inspections and records, sufficient to demonstrate the application of reasonable skill and care.

**Site inspection records:** records of each inspection shall be maintained, which identify the work inspected and any non-compliance. Where plans are not available for the work, these records will necessarily be more detailed.

**Contraventions:** non-compliant work (contraventions) should be communicated promptly and clearly to the responsible person, identifying the contravention(s) and indicating any measure(s) believed to be necessary to remedy the situation. Any mechanisms for appealing against or disputing a decision of the BCB shall be clearly made known to the responsible person.

**Notification of consultees:** During the inspection phase, the BCB shall ensure that all statutory consultees are notified of any significant departures from plans.

## 6. CERTIFICATES AT COMPLETION

Upon satisfactory completion of the relevant work the BCB shall give an appropriate certificate to the direct client and any other appropriate person(s).

## 7. ARCHIVING OF RECORDS

All records relating to the building control service provided to individual projects shall be retained by the BCB for a minimum period of 15 years. Arrangements shall be made for their transfer into safe keeping in the event of a BCB ceasing to trade.

## **8. CONTINUING PROFESSIONAL DEVELOPMENT**

The BCB shall ensure that suitable arrangements exist for Continuing Professional Development and in-service training of its technical staff.

## **9. REVIEW OF PERFORMANCE**

A BCB shall have methods of collecting and monitoring evidence of its performance, in terms of service delivery and compliance or non-compliance of building work with the Building Regulations. It shall have procedures in place to learn from its findings as a part of a process of continuous improvement. It shall also facilitate the sharing of any information which would be of benefit to BCBs in recognising general areas of difficulty (or failure) in achieving compliance.

## **10. MANAGEMENT SYSTEMS**

Every BCB shall incorporate a formal documented system for consistency of service delivery and continuous improvement, which can demonstrate that the above standards are being addressed.

## **11. BUSINESS ETHICS**

Every BCB shall observe the normal professional standards and business ethics expected of service providers. A BCB shall not attempt to supplant a competitor, or win work, on the basis of interpretation of the regulations. The principle of the building control function being independent shall not be compromised.

## **12. COMPLAINTS PROCEDURE**

A BCB should operate, maintain and make available, on request, to any interested party an appropriate complaints procedure. If a person is dissatisfied with the Building Control service they receive they should be able to complain to the provider in a manner that can be independently audited.

# Guidance

*The following gives general guidance as well as practical guidance about some of the ways of meeting the requirements set out in the preceding Building Control Performance Standards.*

## 1. POLICY

Compliance with the Standards in this document should be an express object of the policy.

Under the Best Value system, local authorities are required to publish annually local performance plans for all their services. In addition, the March 1998 Enforcement Concordat calls on local authorities to publish clear standards setting out the level of service and performance that the public and businesses can expect to receive.

Approved inspectors are required, as part of the approval and registration process, to agree to abide by the Code of Conduct for Approved Inspectors and are subject to the Disciplinary Procedures of the Construction Industry Council Approved Inspectors Register. This Code in turn requires Approved Inspectors to act fairly and impartially at all times in performing the functions for which they have been engaged and to observe the Building Control Performance Standards.

Further guidance can be found in the District Surveyors Association Level of Service Document and the Construction Industry Council Approved Inspectors Register Code of Conduct for Approved Inspectors.

## 2. RESOURCES

Sufficient resources should be allocated to carry out that policy. This is to enable reasonable skill and care to be exercised in discharging a BCB's legal duties, and to meet the requirements of the Performance Standards.

The level and complexity of work is highly variable and, therefore, it is not possible to specify the level of resource within this document for individual projects. However, the principles of risk assessment, and experience, coupled with the responsibilities placed by the Standards, will help the BCB to determine the level of expertise and input into individual projects and the overall operation of the BCB. Systems should be capable of demonstrating that this assessment and decision making has occurred.

**Project acceptance:** for an effective building control service to be provided, the BCB should review and be able to demonstrate its capability or capacity to provide an effective level of resources to either individual or collective projects. The term resources does not necessarily imply permanently retained staff. It also includes flexible staffing arrangements such as the use of suitably experienced and qualified consultants.

In the case of local authorities, which cannot refuse to undertake building control on a project if requested, these procedures should extend to consideration of the possible need to engage additional support, either generally or in relation to individual projects. Where a local authority finds itself regularly under-resourced in respect of its building control function, it should take, and be able to demonstrate that it has taken, all reasonable steps to rectify the situation. An approved inspector should not accept a project unless it can be adequately resourced.

A review or assessment could find expression in a service plan, which could be applied either to individual or collective projects. It could take the form of a formal contract review or periodic assessment of the current and forecast workload.

**Resources for existing projects:** individual or collective projects should be reviewed on a continuous basis to ensure that resources are being adequately deployed and that an effective level of control is being provided.

### 3. CONSULTATION

Throughout a project, the BCB shall undertake all the statutory consultations, observing any prescribed time periods. The possible desirability of undertaking consultations beyond the scope of those required by legislation shall be borne in mind. The views of the consultees shall be taken into account by the BCB and any observations or advice beyond the scope of the Building Regulations should be communicated formally to the client.

In the event of significant departures from plans during construction, the BCB shall, where appropriate, inform relevant statutory consultees, and shall take into account their views. This is in addition to carrying out any statutory consultation prior to issuing any notices or certificates.

**One stop shop:** the principle of minimising the difficulties inherent in developers having to gain a series of consents is recognised, and BCBs, whether in the public or in the private sector, should support a one stop shop approach, so far as they can. The One Stop Shop Approach to Development Consents (DETR April 1998) recommends that where approved inspectors are to be engaged, they should participate in any pre-application discussions where this is likely to be helpful to the client.

Pre-application discussion should normally establish the degree to which a one stop shop approach may be practicable. Achieving this approach will be dependent, to a large extent, on the availability (and willingness) of those involved to devote their time to it, particularly if the personnel involved are dispersed or in remote locations.

Nevertheless, as part of the Performance Standard of the building control service, every effort shall be made both to minimise any hindrance to the developer and to maximise the degree of co-ordination and co-operation which may be achieved in obtaining the necessary consents.

#### 4. ASSESSMENT OF PLANS

The purpose of plan assessment and design appraisal is to assist the process of achieving compliance of building work with the Building Regulations. Accordingly contraventions of Building Regulations identified in drawings should be communicated to the designer. However, there is little to be gained from being unduly pedantic and, in determining the level of plan examination necessary, consideration should be given to the expected frequency and detail of subsequent site inspection.

Where appropriate, a BCB should inform the person intending to carry out work of the availability of the procedure for referring questions of compliance to the Secretary of State (for England) or the Welsh Assembly Government for determination.

A BCB should alert the client to provisions of legislation outside the Building Regulations which it believes are likely to be relevant to the building work in question.

If plans are passed, or approved subject to conditions, or in stages, a schedule should be compiled of the modifications specified by the BCB and/or of the further plans or information required to demonstrate compliance. The information communicated to the client should be clear and unambiguous.

**Records of the plans assessment process:** to ensure effective and continuing control over the design and executed work certain features should be recorded as appropriate to the work, e.g:

- a. identification of any exempt buildings and work
- b. identification of the type of building work
- c. the intended use of the building, floor area, cubic capacity and number of storeys
- d. in respect of extensions, material alterations or a material change of use to an existing building, relevant data in respect of the original building
- e. the fire resistance requirements, particulars of compartmentation and flame spread classification. Where appropriate the rationale behind the fire safety design check will need recording
- f. the permitted occupancy factor and anticipated maximum occupancy of floors/zones/areas
- g. the accepted floor loading provided for by the designers
- h. details of local hazards, contamination, sewers and services beneath or immediately adjoining the site and any known risk of flooding
- i. details of consultation with the fire authority
- j. details of any other consultation.

Records should be made of any special or unusual circumstances affecting the construction of the building. In particular, a note should be made of any dispensations

from or relaxations of the Building Regulations which were granted or refused, or where significant but none the less acceptable departures are made from the guidance in an Approved Document.

A written opinion should be issued on all proposals submitted for assessment.

## 5. SITE INSPECTION

The building control process, in order to be effective, requires an inspection regime of appropriate intensity and frequency. However, it is not practicable for every item of work to which the Building Regulations relate to be examined.

Building control staff should use professional skill and judgement in their selection of priorities for inspection within the BCBs stated policy. Work not subject to prior plans appraisal may need to be inspected in more detail than would otherwise be necessary under full plans procedures and, dependent on the complexity of the project, such inspections may need to be carried out by personnel with greater expertise.

The inspection regime considered necessary will thus be dependent on many factors including:

- previous experience
- the extent of prior assessment of plans
- how complicated or relatively straightforward the method of construction is
- whether recent experience indicates current problems in interpreting and/or achieving compliance with certain requirements
- whether the builder is in need of a greater degree of inspection, requested or otherwise
- how serious the consequences of a particular contravention might be
- the impracticability or impossibility of subsequent inspection of hidden work
- speed of build, or methods of fast track construction.

However, subject to the appropriate professional judgement or risk assessment, inspection should normally be made of:

- a. structural elements and components, the failure of which would, in the opinion of the BCB, be significant
- b. all works which, in the opinion of the BCB, constitute unusual designs or methods of construction
- c. work relating to fire safety



- d. any type of work, construction, equipment or material which could, if not verified, cause defects which would, in the opinion of the BCB, be seriously detrimental to the fundamental purposes of the Building Regulations
- e. any additional areas of work necessary for the subsequent issue of a certificate at completion.

**Inspection frequency:** the most important thing is to have an appropriate inspection plan; the scope and frequency of inspection should be determined, and incorporated in a formal written plan. This plan should be kept under review as the project proceeds. It should take into account the inspection regime factors above.

All sites should be inspected frequently: this is unlikely to be less than 1 visit every 28 days for all live and reasonably active sites, and 3 months maximum for non-active sites to ensure that legal control is maintained.

**Inspection notification framework (INF):** Without prejudice to the requirements of Building Regulations, every BCB should, as part of the inspection plan and before the commencement of work on site, decide and communicate to the client an INF, taking account of the complexity of the project and other factors. The INF should identify generally the stages or items of work the BCB wishes to be notified of as and when they are ready for inspection.

BCBs should then respond as appropriate to all notifications identified in the INF, to the extent that not to inspect these stages of work should be the exception, not the norm and the reason for non-inspection should be recorded.

**NB:** it should be made clear to the builder that the BCB would normally expect to carry out unannounced inspections between the stages identified in the INF.

In order to ensure effective communication and building control involvement, requests for inspection should be responded to **within one working day**.

**Remote inspection techniques** such as the use of photographs, video tapes or live camera transmission should not be relied upon as a complete alternative method of ascertaining the compliance of work on site.

**Effective follow up procedures** are essential to ensure that previously noted errors have been corrected.

**Tests at completion:** at completion, certain tests may need to be carried out under building control supervision, as necessary, in order to demonstrate compliance e.g. drainage, air tightness, flue spillage tests. The BCB should consider the need for such tests at the earliest possible stage, include them in the inspection plan, and inform the client of its requirements as far in advance as possible.

**Site inspection records:** although there is no legislative requirement to retain records, it is considered that in order to effect continuity of control and to provide evidence of building control input into the build process, adequate records should be maintained to show what works were inspected, the results of the inspection and any remedial action considered necessary.

Records should be as specific as circumstances require but should normally include the date, time (where relevant) and location of the work.

**Contraventions of Building Regulations** should be clearly and promptly communicated in writing, identifying the problem and the measures which may need to be taken to achieve compliance. Decisions regarding Building Regulations compliance, especially formal notices, shall be clearly communicated to the responsible person, observing any statutory time periods.

The BCB should provide the recipient(s) of the decision with details of any remedies available to them in the event of disagreement with interpretation or procedure.

In the event of a Building Regulation dispute, the BCB shall observe any statutory procedures and shall furnish the client with any information regarding available avenues for resolution of the dispute.

## 6. CERTIFICATES AT COMPLETION

Certificates should always be issued upon satisfactory completion of the work. Approved inspectors should, in any case, give final certificates if satisfied that the work complies with the relevant requirements of the Building Regulations. Local authorities should give completion certificates under the Building Regulations, even if they have not been requested to do so, if, in the words of Regulation 17, they have been able to ascertain, after taking all reasonable steps, that the relevant requirements of the Building Regulations have been satisfied.

A BCB should include in, or send with, the certificate given at completion a statement that on request it can provide to the client a list of all inspections carried out.

## 7. ARCHIVING OF RECORDS

Records should be retained for an appropriate length of time having regard to the statutory time limits on legal action. This might be considered to be 15 years, but it should be noted that under the Limitation Acts, there is provision for extending the 15 year limit for negligence actions not involving personal injury, where the plaintiff becomes subject to a disability and in cases of fraud, concealment or mistake. For larger schemes it is important and therefore advisable to keep records as long as possible. Records should if necessary be stored electronically or on microfiche, and be available, subject to any copyright, data protection restrictions, or security considerations. These should include as a minimum:

- approved/accepted proposals and design principles
- records of consultations
- records of site inspections
- client design and contractor details
- certificates and notices

## 8. CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

This may form part of the building control policy statement in 1.

Properly planned and recorded continuing professional/technical training and development is considered essential both to keep abreast of new technology and to instruct and refresh on legislative requirements and their practical interpretation. Where staff are members of professional bodies, their CPD requirements should be adhered to. All technical staff (including temporary appointments) should maintain CPD records acceptable to relevant professional bodies.

## 9. REVIEW OF PERFORMANCE

The contribution made by the building control service to achieving compliance is difficult to isolate and identify. It cannot be readily assessed from an examination of the finished product.

### **Building Control Performance Indicators**

The Performance Indicators in Appendix 2 are a recommended method of measuring aspects of performance of the Building Control Service and BCBs should be in a position to respond to questions/surveys based on these indicators.

**Performance reviews:** apart from any independent monitoring of performance, each BCB should, for example as part of its quality management system carry out an annual formal review of performance, and records should be kept of information received and considered at each review, and of the action subsequently taken.

**Reviews with other agencies:** BCBs should also undertake reviews with other appropriate agencies and bodies, e.g. Fire and other statutory agencies, to help ensure that liaison and consultation procedures are optimised in the best interests of building control clients and building users.

**Sharing of information:** as the number of BCBs increases, procedures should be developed and followed for the sharing of BCB's information and experience. There is an important potential role here for the Building Control Initiative (BCI) proposed in the May 1998 Memorandum of Understanding formed between the District Surveyors Association and the Association of Consultant Approved Inspectors.

## 10. MANAGEMENT SYSTEMS

Each BCB should have a properly documented quality management system to ensure that the Performance Standards in this document, and any others contained within the BCB's Policy, are consistently being met.

Recognised systems for corporate bodies include registration under ISO 9001: 2000, the Business Excellence model of the European Foundation for Quality Management, and Total Quality Management. However, a BCB may prefer to adopt a bespoke quality management system.

Whatever system is chosen, it should result in an auditing capability which will serve external scrutiny to establish the extent of achievement of the performance levels as per the Standards in this document, and the steps needed to improve the effectiveness of the BCB's service.

## **11. BUSINESS ETHICS**

Once a client has engaged a BCB for a project or preliminary negotiations are in progress, the professionalism with which that project is handled will be guided by the codes of conduct of the appropriate professional bodies.

It is also very important to the reputation of the building control profession and to the best interests of the construction industry and building users, that competition within the private sector of building control, and between approved inspectors and local authorities, should be conducted in a transparent manner.

The CIC Code of Conduct for Approved Inspectors and the Code of Practice for Members of the ACAI address this aspect, as well as dealing with the proper conduct of building control projects.

A guiding principle in the CIC Code of Conduct is that an approved inspector or consultant employed by him should not attempt to injure the professional reputation of another approved inspector, or attempt to supplant another approved inspector who has already been engaged by a client. The same principle should apply to relations between approved inspectors and local authorities.

The ability of local authorities to offer a client a one stop shop for development consents should not be misused e.g. by making use of privileged information from planning sources to attempt to undertake building control. Similar considerations apply where a BCB can offer additional services.

As local authorities have a wide range of regulatory functions, they should be careful not to do anything that might make prospective clients feel under pressure to use their building control services.

## **12. COMPLAINTS PROCEDURE**

A BCB should operate, maintain and make available, on request, to any interested party an appropriate complaints procedure.

A complaints procedure is considered appropriate if it contains a clearly defined written process for dealing effectively with written and verbal complaints and includes:

- a time scales for acknowledging and responding to a complaint
- b providing the name and contact details of the person dealing with the complaint
- c the procedure adopted for investigating complaints about individuals or service delivery

- d provision for monitoring the progress of the complaint
- e a record of the process for any subsequent independent audit which should be archived for not less than 5 years
- f advice on action available if a complainant is not satisfied with the response. This should include reference to a named independent person or organisation
- g a mechanism for reviewing complaints to improve procedures and prevent re-occurrence in accordance with Standards 9 and 12.

Complaints made verbally are no less important than those made in writing and the complaints procedure should also incorporate the action to be taken in respect of a verbal complaint.

# APPENDIX 1

## Building Control Performance Standards Advisory Group

### TERMS OF REFERENCE

The Advisory Group shall:

- keep under review the effectiveness of the standards and guidance published in the second edition of “Building Control Performance Standards” (June 2006) and make recommendations for revisions of the standards and guidance,
- advise stakeholders on the monitoring and performance of the Building Control Performance Indicators (BCPI) system,
- consider whether and how feedback from the BCPIs should be centrally collected, collated and published,
- consider complaints from building control bodies, other statutory bodies and other parties with an interest in relevant building work, that building control bodies have not acted in accordance with the Building Control Performance Standards; where appropriate, to refer such complaints to relevant other bodies; and/or to make recommendations to the building control bodies concerned on prevention of future non-compliant action, and
- consider how such complaints may influence the setting and monitoring of building control performance standards.

### Membership

Association of Consultant Approved Inspectors	(ACAI)
Building Regulations Advisory Committee	(BRAC)
Construction Industry Council	(CIC)
LABC	(representing local authority building control)
Local Government Association	(LGA)
Chair	(Independent)
Department for Communities & Local Government (Observer)	(DCLG)
Welsh Assembly Government (Observer)	(WAG)

The ACAI aims to further the development and understanding of private sector building control with the industry and general public. The Association is committed to maintaining appropriate codes of conduct and high professional standards commensurate with the functions of Approved Inspectors, as detailed in the Building Act 1984 and the Building Control Performance Standards.

The CIC is the 'designated body' for the Department for Communities & Local Government Secretary of State for appointing Approved Inspectors under 'The Building (Approved Inspectors etc.) Regulations' and their Amendments. Approved Inspectors are the private sector parallel of Local Authorities' Building Control Officers. CIC act as the designated body through the Construction Industry Council Approved Inspectors Register Management Board.

LABC represents 370 local authorities throughout England, Wales and Northern Ireland with an aim to ensure that buildings attain at least the required standards of legislation covering constructional health and safety, access and sustainability. This is delivered by promoting, supporting and enhancing Local Authority Building Control within the public sector.

The LGA is a lobbying and member organisation, representing just over 500 local authorities in England and Wales, promoting better local government and providing the national voice for local communities. Its members represent over 53 million people, employ more than 2.25 million staff and spend nearly £84 billion on local services.

# APPENDIX 2

## Building Control Performance Indicators

### MAIN OBJECTIVES

The seven indicators summarised below will:

- assist building control bodies to assess their own service quality in pursuance of Standard 9; and
- give those with a central responsibility or concern for the quality of building control a means of identifying building control bodies whose service characteristics appeared unusually good or poor.

### Summary of Building Control Indicators

BC1 – Score against a checklist of best practice for building control services.

BC2 – Fire Authority perceptions of the value added by Building Control.

BC3 – Qualified or experienced staff as a percentage of the total staff employed by the Building Control Service.

BC4 – Average number of hours of training provided per annum by the Building Control Body a) per qualified or experienced member of staff b) per non-qualified member of staff.

BC5 – Average number of hours on-site a) planned and b) completed, for each category of residential and non-domestic work.

BC6 – Percentage of projects reaching a satisfactory conclusion measured for local authorities as the percentage of certificates issued as a proportion of projects started, and for approved inspectors as the percentage of projects started which reach satisfactory completion in that they do not revert back to the local authority.

BC7 – Percentage of a) residential customers and b) non-domestic customers who are satisfied with the service they received from the Building Control body in terms of:

- Added value to the finished product
- Being helpful and responsive to needs
- Applying the Building Regulations professionally
- The overall service

### Reference

The Building Control Performance Indicators spreadsheet and guidance can be downloaded by visiting the Planning Portal (Professional User Building Regulations area) website [www.planningportal.gov.uk](http://www.planningportal.gov.uk) or the Building Regulations area of the Department for Communities & Local Government website [www.communities.gov.uk](http://www.communities.gov.uk).



# APPENDIX 3

## Bibliography and Further Guidance

- Enforcement Concordat: Cabinet Office, Welsh Office, Scottish Office, Convention of Scottish Local Authorities, Local Government Association, March 1998
- The One Stop Shop Approach to Development Consents: DETR, April 1998, £12, ISBN 1 85112 081 5
- Memorandum of Understanding between the District Surveyors Association and the Association of Consultant Approved Inspectors, May 1998
- CIC Code of Conduct for Approved Inspectors and Disciplinary Procedures of the Construction Industry Council Approved Inspectors Register: CIC
- ACAI Code of Practice for Members: Association of Consultant Approved Inspectors, February 1998
- DSA Quality and Performance Matrix, October 2003
- DSA Level of Service Document, 1994 (Revised 1999)
- LGA Level of Service Model Guide 1994
- BCI Mediation Procedure
- BCI Initial Notice Protocol
- BCI Commencement Document

The above BCI documents are available on the LABC website [www.labc-services.co.uk](http://www.labc-services.co.uk).

# APPENDIX 4

## Useful Addresses

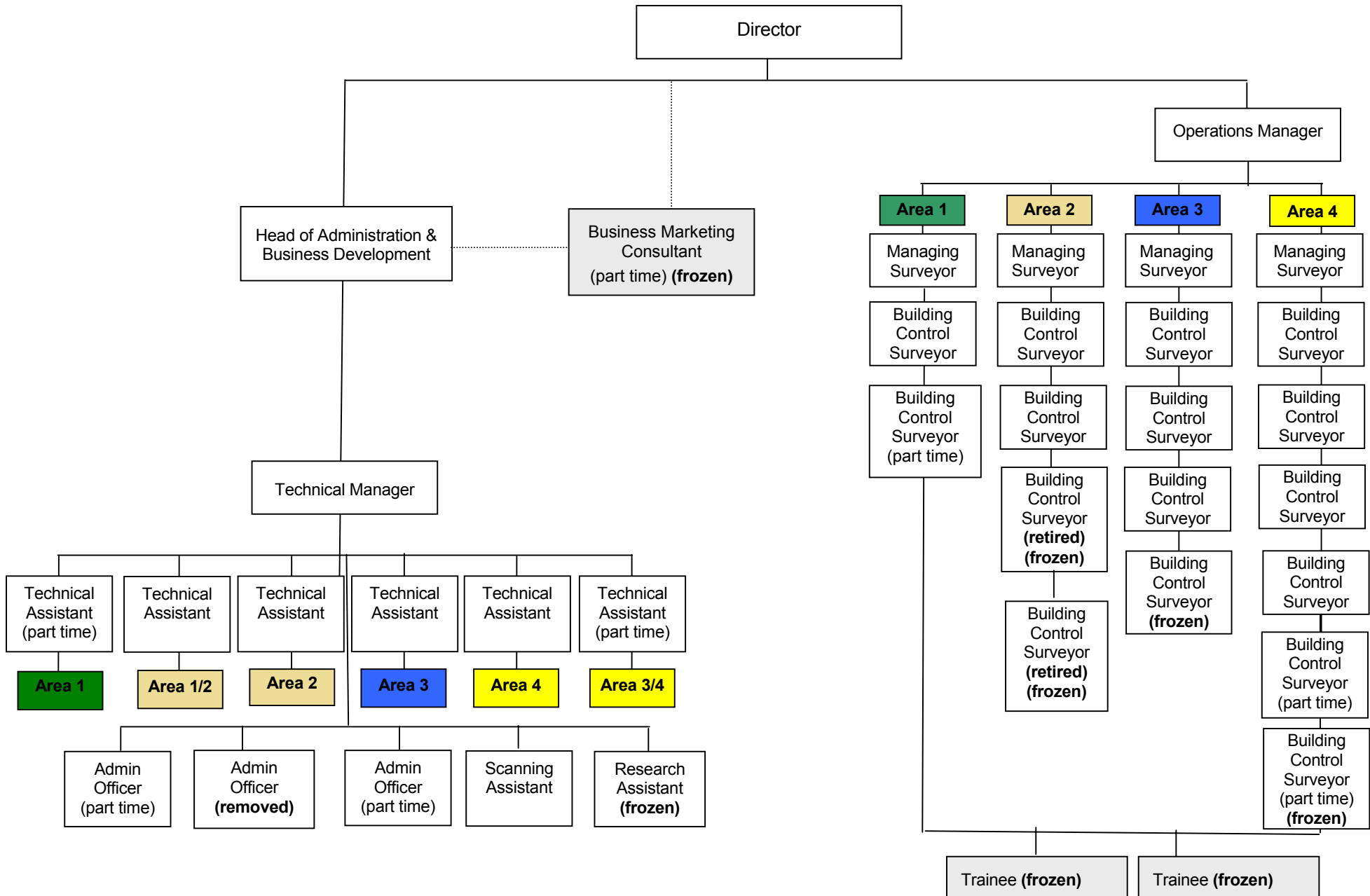
- **Association of Consultant Approved Inspectors (ACAI)**  
Address: Association of Consultant Approved Inspectors  
c/o 14 Berkeley Street, London W1J 8DX  
Tel: 020 7491 1914  
Fax: 020 7491 1090  
E-mail: [chair@acai.org.uk](mailto:chair@acai.org.uk)  
Website: [www.acai.org.uk](http://www.acai.org.uk)
- **Construction Industry Council (CIC) – Approved Inspector Register**  
Address: CIC, 26 Store Street, London WC1E 7BT  
Tel: 020 7399 7400  
Fax: 020 7399 7425  
E-mail: [info@cic.org.uk](mailto:info@cic.org.uk)  
Website: [www.cic.org.uk](http://www.cic.org.uk)
- **Department for Communities & Local Government (DCLG)**  
Address: Building Regulations Division  
Zone 4/A6, Eland House, Bressenden Place, London SW1E 5DU  
Tel: 020 7944 5752  
Fax: 020 7944 5719  
Email: [enquiries.br@gsi.gov.uk](mailto:enquiries.br@gsi.gov.uk)  
Website: [www.communities.gov.uk](http://www.communities.gov.uk)
- **Local Government Association (LGA)**  
Address: Local Government Association, Local Government House,  
Smith Square, London SW1P 3HZ  
Tel: 020 7644 3000  
Fax: 020 7644 3030  
Email: [info@lga.gov.uk](mailto:info@lga.gov.uk)  
Website: [www.lga.gov.uk](http://www.lga.gov.uk)
- **Welsh Assembly Government (WAG)**  
Address: Welsh Assembly Government, Cathay's Park, Cardiff CF10 3NQ  
Tel: 02920 826913  
Fax: 02920 826989  
Email: [phillip.gardiner@wales.gsi.gov.uk](mailto:phillip.gardiner@wales.gsi.gov.uk)  
Website: [www.wales.gov.uk](http://www.wales.gov.uk)
- **LABC**  
Address: LABC, 137 Lupus Street, London SW1V 3HE  
Tel: 020 7641 8737  
Fax: 020 7641 8739  
Email: [info@labc-services.co.uk](mailto:info@labc-services.co.uk)  
Website: [labc-services.co.uk](http://labc-services.co.uk)



# DRAFT

## STG BUILDING CONTROL PARTNERSHIP STRUCTURE CHART

Annexe 2



## Diversity Impact Assessment: Screening Form

<b>Directorate Regeneration Culture and Community</b>	<b>Name of Function or Policy or Major Service Change</b>  <b>Building Control Partnership</b>		
Officer responsible for assessment  Tony Van Veghel	Date of assessment  3 <sup>rd</sup> December 2008	New or existing?  Existing	
<b>Defining what is being assessed</b>			
<b>1. Briefly describe the purpose and objectives</b>	To ensure compliance with the Building Act 1984 by enforcing the Building Regulations across three boroughs. Deal with dangerous structures, demolitions, unauthorised work.		
<b>2. Who is intended to benefit, and in what way?</b>	Residents, businesses and visitors to Medway.		
<b>3. What outcomes are wanted?</b>	A healthy and safe environment.		
<b>4. What factors/forces could contribute/detract from the outcomes?</b>	Contribute  Resources available from the Partnership. Support from the three constituent Authorities.	Detract  Competition from the private sector. Economic climate.	
<b>5. Who are the main stakeholders?</b>	The three boroughs in the Partnership, Medway, Gravesham and Swale. Property owners, businesses, developers and architects.		
<b>6. Who implements this and who is responsible?</b>	No third parties are involved.		

<b>Assessing impact</b>		
<b>7. Are there concerns that there <u>could</u> be a differential impact due to <i>racial groups</i>?</b>	YES	Brief statement of main issue
	NO	
<b>What evidence exists for this?</b>	All applications are processed in the same way.	
<b>8. Are there concerns that there <u>could</u> be a differential impact due to <i>disability</i>?</b>	YES	Brief statement of main issue
	NO	
<b>What evidence exists for this?</b>	All applications are processed in the same way. Although disabled people are not charged under the exemptions in the Charges legislation.	
<b>9. Are there concerns that there <u>could</u> be a differential impact due to <i>gender</i>?</b>	YES	Brief statement of main issue
	NO	
<b>What evidence exists for this?</b>	All applications are processed in the same way.	
<b>10. Are there concerns there <u>could</u> be a differential impact due to <i>sexual orientation</i>?</b>	YES	Brief statement of main issue
	NO	
<b>What evidence exists for this?</b>	All applications are processed in the same way.	
<b>11. Are there concerns there <u>could</u> be a have a differential impact due to <i>religion or belief</i>?</b>	YES	Brief statement of main issue
	NO	
<b>What evidence exists for this?</b>	All applications are processed in the same way.	
<b>12. Are there concerns there <u>could</u> be a differential impact due to people's <i>age</i>?</b>	YES	Brief statement of main issue
	NO	
<b>What evidence exists for this?</b>	All applications are processed in the same way.	
<b>13. Are there concerns that there <u>could</u> be a differential impact due to <i>being trans-gendered or transsexual</i>?</b>	YES	Brief statement of main issue
	NO	
<b>What evidence exists for this?</b>	All applications are processed in the same way.	

14. Are there any <i>other</i> groups that would find it difficult to access/make use of the function (e.g. people with caring responsibilities or dependants, those with an offending past, or people living in rural areas)?	YES	If yes, which group(s)?
	NO	
What evidence exists for this?	All applications are processed in the same way.	
15. Are there concerns there <u>could</u> be a have a differential impact due to <i>multiple discriminations</i> (e.g. disability <u>and</u> age)?	YES	Brief statement of main issue
	NO	
What evidence exists for this?	All applications are processed in the same way.	

Conclusions & recommendation		
16. Could the differential impacts identified in questions 7-15 amount to there being the potential for adverse impact?	YES	Brief statement of main issue
	NO	
17. Can the adverse impact be justified on the grounds of promoting equality of opportunity for one group? Or another reason?	YES	Please explain
	NO	Not applicable
Recommendation to proceed to a full impact assessment?		
NO	<b>This function/ policy/ service change complies with the requirements of the legislation and there is evidence to show this is the case.</b>	
NO, BUT ...	<b>What is required to ensure this complies with the requirements of the legislation? (see DIA Guidance Notes)?</b>	Minor modifications necessary (e.g. change of 'he' to 'he or she', re-analysis of way routine statistics are reported)  No information is collected routinely on Diversity.
YES	<b>Give details of key person responsible and target date for carrying out full impact assessment (see DIA Guidance Notes)</b>	

<b>Action plan to make Minor modifications</b>		
<b>Outcome</b>	<b>Actions (with date of completion)</b>	<b>Officer responsible</b>
Better understanding about applicants community identity	<p>Consultation in progress with Partnership authorities to determine inclusion of ethnicity form with customer survey from 1 January 2009.</p> <p>Find out about best practice</p> <p>By end of February 2009.</p>	Tony Van Veghel

<b>Planning ahead: Reminders for the next review</b>		
<b>Date of next review</b>		
<b>Areas to check at next review (e.g. new census information, new legislation due)</b>		
<b>Is there <i>another</i> group (e.g. new communities) that is relevant and ought to be considered next time?</b>		
<b>Signed (completing officer/service manager)</b>	<b>Date</b>	



<b>Signed (service manager/Assistant Director)</b>	<b>Date</b>	
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