

SOUTH THAMES GATEWAY BUILDING CONTROL JOINT COMMITTEE

14 JUNE 2012

SOUTH THAMES GATEWAY BUILDING CONTROL ANNUAL REPORT

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

Summary

This report seeks to inform Members of the performance and financial information for the year 2011/12.

1. Budget and Policy Framework

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

2. Background

2.1 As the draft Business Plan is written July/August and finalised around December 2011, Members noted that the information concerning the previous year's outturn was not complete and requested a mechanism to deliver a summary of the full year's performance.

3. Executive summary

3.1 Applications fell by around 9% in 2011/12 against the 2010/11 figures and total income fell by just over 1%. However, due to the cost reductions implemented during the year the Partnership was able to post a surplus of around £48,000.

3.2 Whilst applications were down on the building regulation account the impact of losing two staff, the continuation of reduced hours and the need to encourage the pursuit of regularisation applications has had an impact on the amount of resources that could be employed in this area.

3.3 Continued expansion of the consultancy also had an impact on some of the targets within the benchmarking table, however, it also provided substantial additional income to mitigate pressures on the budget and facilitated a surplus of around £48,000

3.4 Not only was the objective of balancing the budget met but a small surplus generated which would enable a re-investment of funds into a much needed IT system which will be pursued in the next financial year so as to deliver some of the objectives identified in the business plan.

- 3.5 A very constructive customer survey was carried out in June, which provided useful data to consider when preparing the revised business plan. The outcomes will be developed and enhanced with further survey work in 2012 and a focus group of partners, architects, developers and builders.
- 3.6 The expansion of the Partnership will continue to be explored with adjacent authorities to build on the good work of the first five year term into the agreed second term which runs on to 2017.
- 3.7 The adoption and development of a new IT system has been made possible with the agreement of Members to re-invest any surplus up to £40,000 into a system that would be fit for purpose and allow for greater mobile working and customer self-service in line with the objectives of the business plan.
- 3.8 Development of staff and services continues, which will allow for further consolidation of the Partnership, expansion into other fields and potential expansion of the Partnership with new authorities.

4. Director's comments

- 4.1 This has been a very important year for the Partnership. The first term agreed by the Partner Authorities was for 5 years from October 2007 and then the Agreement would be reviewed to determine if the three authorities wanted to carry this arrangement on for a further five years.
- 4.2 There were still no signs of recovery in the construction markets and the first quarter revealed building regulation applications had fallen against the previous year's comparison, however, income remained about the same as 2010/11.
- 4.3 Two members of staff had taken early retirement in March 2011 and a new working arrangement was trialled with teams of surveyors dealing with specific functions over the whole area instead of a range of functions in one specific area. Unfortunately this proved impractical to implement as the workload exceeded the resources available. At the same time as the staff retired early we had a previous commitment to extended leave and the impact of a long term injury to a key member of staff. The operation moved to a two team basis with the boundary running along the Gillingham/Wigmore area of Medway. The team structure is shown in Appendix 1.
- 4.4 Four projects from the Partnership reached the Regional finals of the LABC Built in Quality Awards with one project, the Sikh Temple in Gravesham winning the regional award and moving to the National Finals in November 2011.
- 4.5 A number of the improvements to the service identified in the Business Plan are reliant on innovations to the IT system. In order to carry out a greater number of inspections, travelling time to the central office needs to be reduced. This could be achieved by true mobile working, which is currently not available because of the system and operation restrictions in place using our current IT provider. The greater use of self-serve where applicants can check progress of their applications on-line, carry out history checks on their property and book inspection requests without the interaction of a surveyor or technical administrator would allow resources to be reallocated to other income related areas. A report was submitted to Joint

Committee in this regard and whilst Members encouraged the use of new technology they advised that no additional funding was available from the partners to achieve this development.

- 4.6 It was imperative; therefore, if the implementation of these objectives was to be achieved additional income had to be generated. Through the development of the additional discretionary services within the consultancy the aim was to generate sufficient funds to enable investment on an improved IT system. Whilst recovery in the construction industry remained slow, applications through the consultancy for energy assessments, SAPs, CSH, SBEMS etc were unlikely to fully fund such an investment programme and were seen as the potential mitigating factor against pressures in the fee earning account.
- 4.7 Three surveyors elected to develop the clerk of works role which we were undertaking for Medway's Housing department. Further work in developing the Decent Homes Programme and later the scoping surveys programme proved to be a great asset in utilising surveyor's skills to deliver a first class service for another department and provided a springboard to offering a wider range of services to the other Partner Authorities.
- 4.8 An area that most reactive, regulatory services such as building control struggle with is collecting constructive comments from customers. Whilst all applications are accompanied by a customer questionnaire, the return rate for these is relatively small. In order to improve this rate the Head of Administration and Business Development introduced an intensive survey over a one week period where every customer during that week was interviewed on a 1:1 basis on the telephone or in reception, or received personalised questionnaires. The response was overwhelming with over 300 responses, far outweighed returns in all the previous years. From this a report was submitted to Joint Committee and suggestions taken forward to the groups away day which formed the platform to seeing which improvements could be made to best reflect customer expectation. These and other improvements were discussed and reflected in the Partnership's three year Business Plan.
- 4.9 During the second quarter the Decent Homes programme expanded and therefore required the input of one full-time surveyor per week. The team structure was realigned to facilitate this.
- 4.10 Negotiations were concluded with our SLA providers for IT, Finance, HR and legal services which have resulted in a £12,000 reduction in costs for this year and subsequent years of the business/financial plan.
- 4.11 A benchmarking exercise was undertaken with 9 other authorities in our CIPFA group. Results demonstrated the Partnership had the lowest costs per FTE and were second highest for income per professional FTE. Development of a Kent wide benchmarking club is still underway and planned to operate from next financial year using data from 2011/12.
- 4.12 The number of building regulation applications remained low in the second half of the year; however, due to the nature of the applications, forecasts for the end of year budget remained as balanced. In order to try and secure funding for re-investment in

our IT system additional income would be required. During the last quarter the Partnership was successful in securing a scoping survey project from Medway housing which would be a short-term project but would assist in delivering funds for the IT investment. An upturn in the consultancy energy assessments also assisted in the regard.

- 4.13 Members were required to decide on the possible progress of the Partnership into a second term. A discussion paper was taken to Joint Committee and Members deliberated on the progress the Partnership had made to date. Members agreed unanimously that the Partnership had been a success and that progress to a second term should be taken to each Authority's Cabinet so that approvals were in place for a new period to commence from 1 October 2012. Each Authority had secured approval for the second term, as well as ratifying the business/financial plan for 2012/13 – 2014/15 by the end of February 2012.
- 4.14 As part of the Governments "Red Tape Challenge", building control, especially enforcement, was to be examined between January and March 2012. In order to provide useful data, STG took part in a national survey of building control bodies, both within private and public sector, to determine the number of building regulation infringements that they discovered and were able to intervene to correct the work. This survey was carried out throughout November 2011 and for STG 829 projects were considered and 1106 compliance actions sub-divided into high, moderate and low risk classification were identified.
- 4.15 With the future of the Partnership determined for the second term, Members were interested in the possibilities of expansion to include other authorities. Approaches were therefore made to Dartford, Maidstone, Tonbridge & Malling and Canterbury to see if there was an appetite for the Councils, which are adjacent to STG's boundaries, joining the arrangement.
- 4.16 Presentations to Dartford, Maidstone and Tonbridge & Malling have taken place and of these Tonbridge & Malling have expressed an interest in pursuing the viability of joining and this will form one option of an appraisal of their service which will take place later in 2012.

5 Performance Management

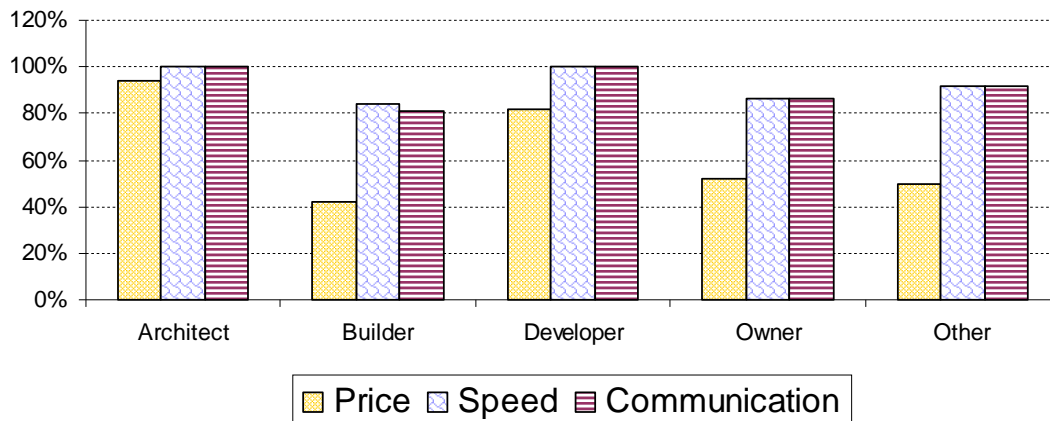
- 5.1 The table below shows performance against a number of local and national targets. Members were apprised early in the year that in order to achieve a balanced budget it would be necessary for staff to move out of building regulation work and into the consultancy, decent homes and regularisation programmes. This depletion of resources would inevitably impact on some of the target times that would be achievable. However, despite the resource implications the average percentage of plans checked within 15 working days has improved from 86.72% in 2010/11 to 91.15% in 2011/12. Also the average percentage of completion certificates sent within 5 working days of completion has improved from 75.55% in 2010/11 to 99.22% in 2011/12. We will aim for further improvements of all benchmarking statistics over 2012/13 in line with the findings of our customer survey who rated speed of service above cost as a criteria for judging the service.

Quarterly Benchmarking

	% plans checked within 15 days	% plans checked within 10 days	% determined within 5 weeks /or 2 months	No of PCI's (Pre-Contraventions Interventions)	% completion certificates sent within 5 days of completion	% of Partner Apps (PC)	Reg & Acknow within 3 days	% LC Search - Medway within 3 days	% LC Search - Swale within 3 days	Property Search) - within 10 working days
2010-11	Target 100%	Target 85%	Target 100%		Target 95%		Target 100%	Target 100%	Target 100%	Target 95%
Q1	87.89%	70.70%	98.32%	n/a	59.89%	4.00%	81.73%	100.00%	99.70%	90.63%
Q2	85.81%	64.19%	100.00%	n/a	73.39%	2.63%	80.41%	100.00%	100.00%	69.37%
Q3	84.50%	68.42%	99.53%	33	71.79%	5.26%	86.85%	100.00%	100.00%	96.72%
Q4	88.69%	77.37%	99.26%	65	97.12%	3.18%	99.65%	100.00%	100.00%	100.00%
2011-12	Target 100%	Target 85%	Target 100%		Target 95%		Target 100%	Target 100%	Target 100%	Target 95%
Q1	88.85%	53.38%	90.79%	25	99.10%	3.59%	88.82%	100.00%	99.66%	91.78%
Q2	88.34%	71.43%	99.47%	377	98.48%	3.37%	97.54%	100.00%	100.00%	92.78%
Q3	90.79%	70.39%	100.00%	319	99.32%	1.53%	99.71%	100.00%	100.00%	100.00%
Q4	96.63%	75.96%	*	411	100.00%	2.74%	95.22%	100.00%	100.00%	100.00%

* unable to provide data until 8 weeks following quarter end

Percentage of respondents who considered these processes Important to Essential to service delivery



6 Personnel

- 6.1 During this year there have been a number of successes in the development of staff both as individuals and to the benefit of the Partnership in delivering additional services.
- 6.2 Two surveyors have been on further access training to develop skills in preparing access statements as well as sharing with the group requirements under the Equalities Act which go beyond the minimum requirements of the building regulations.
- 6.3 Two technical staff have been training on SAP assessments. This is the first time in Kent non-surveying staff have trained in this specialist field and with further support

on the construction elements of the course intend to qualify by September 2012. This development of skills is in line with the business plan objectives to diversify the roles of the group to meet the demands of a changing market.

- 6.4 Three surveyors have undergone in-house training on decent homes and HHSRS Health and Safety requirements for carrying out condition surveys in preparation for next years decent home programme.
- 6.5 There has also been training for all Technical Assistants, provided in-house by a Senior Surveyor, so as to enable a number of minor technical enquiries to be dealt with at first point of contact without the need to escalate the enquiry to the duty surveyor.
- 6.6 Two members of staff have continued their inclusion with voluntary reduced hours programme and another member of staff commenced flexible early retirement in January. Whilst this impacts on resources and puts pressure on service delivery in a number of areas it has produced savings of around £21,000 in the staffing budget.

7 Finance and Legal Implications

- 7.1 Quarterly budget monitoring was carried out as required by Medway's account and auditing process, however, monthly income and expenditure trends were reviewed at STG's management meetings. It was evident throughout the year that there was no recovery in the construction market and although applications remained below the previous years figures, due to the nature of the work being won income remained on course to delivery a balanced budget.
- 7.2 However, these larger projects were recognised as running beyond this financial year. Accruals would have to be made at end of year to ensure the costs of vetting of amendments and on site inspection work would be fully funded from the charges previously levied.
- 7.3 Amongst the savings made were staffing (£8,000), transport (£14,000), supplies and services (23,000) and support service (£22,000) so as to mitigate pressure on the income targets. Additional income over budget expectation was received in the consultancy (£102,000) and regularisation (£27,000). These and other measures offset the general income deficit of £270,000 to deliver an overall surplus of £48,000. A year end budget monitoring report is shown in Appendix 2.

8 Risk Management

- 8.1 There are no risks within this report.

9 Recommendations

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

10 Suggested Reasons for Decisions

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

Lead officer contact

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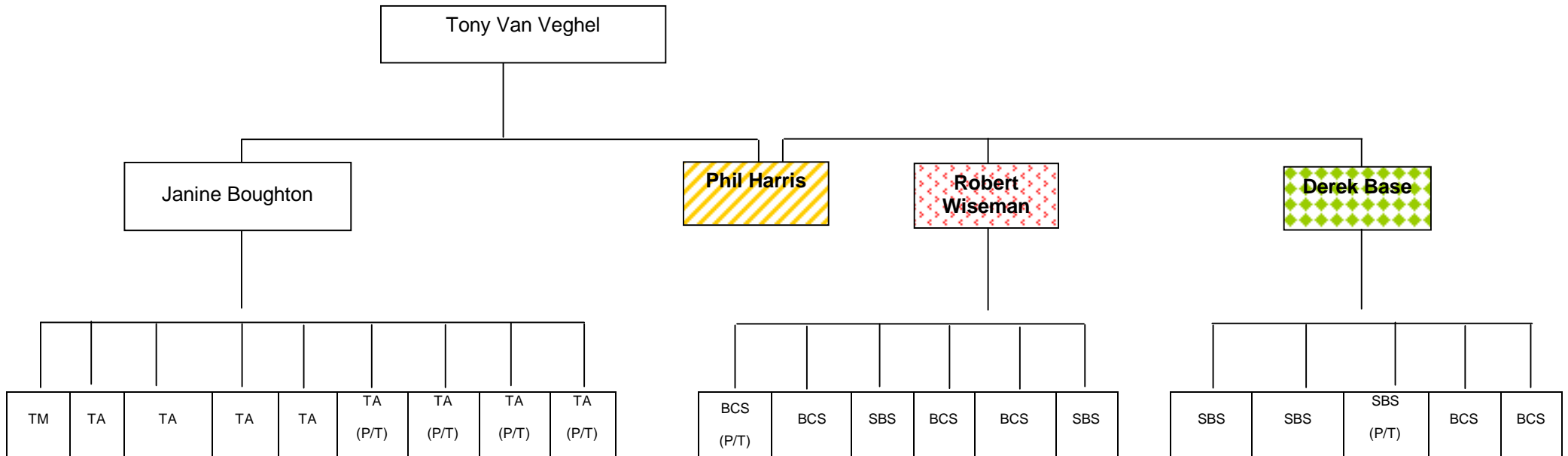
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Background papers

None

STG BUILDING CONTROL PARTNERSHIP STRUCTURE CHART - September 2011



- SBS = Senior Building Control Surveyor
- BCS = Building Control Surveyor
- TM = Technical Manager
- TA = Technical Assistant
- P/T = Part Time
-  = Consultancy / Public Protection
-  = West Team
-  = East Team

Year End Budget Monitoring Report

31st March 2012 Final Outturn Statement for STG Building Control Partnership

Subjective Description	Current Year Total Budget	2011/12 Outturn	Variance
Admin Staff	1,086,438	1,043,921	(42,517)
Prem Retire Added Lump Sum	0	500	500
VDU/Eye Tests	0	51	51
Medical Referrals	0	85	85
Allowances	0	0	0
Clothing Allowance	2,000	164	(1,836)
Call Out Fees	9,819	10,658	839
Employee Related Insurance	1,601	1,601	0
Staff Training	7,000	3,614	(3,386)
Staff Training STG Consultancy	7,000	5,395	(1,605)
	1,113,858	1,065,990	(47,868)
Repairs Maint Buildings Gen	1,600	3,376	1,776
Electricity	4,000	4,815	815
Gas	3,000	2,403	(597)
Rents External	58,300	55,282	(3,018)
Non Domestic Rates	22,000	21,855	(145)
Water & Sewerage Charges	600	397	(203)
Contract Cleaning	5,160	5,714	554
Window Cleaning	600	425	(175)
Trade Refuse	164	340	176
Premises Security	200	35	(165)
Premises Insurance	0	707	707
	95,624	95,350	(274)
Vehicle Insurance	330	330	0
Public Trans	500	441	(59)
Park Fees	250	107	(143)
Staff travel -Leased Mileage	11,160	4,326	(6,834)
Casual User	1,500	137	(1,364)
Essential User 0	42,000	35,882	(6,118)
	55,740	41,223	(14,517)
Equip/Furn/Mats	1,500	1,326	(174)
Equip Rental Leases Licences	5,900	2,475	(3,425)
Equip Annual Maintenance	0	1,567	1,567
Books/Pubs/News0	2,500	92	(2,408)
Bottled Water Coolers	400	264	(136)
Refreshments at Meetings	800	21	(779)
Printing Stat & Gen Off Exps	0	0	0
Printing	2,000	2,398	398
Printing STG Consultancy	2,000	884	(1,116)
Printing Public Protect	500	0	(500)
Stationery	3,200	4,245	1,045
Stationery STG Consultancy	1,500	205	(1,295)
Stationery Public Protect	500	0	(500)
General Office Expenses	500	30	(470)
Microfilming	500	0	(500)
External Audit Fees	12,710	6,000	(6,710)
Agency Staff Security	1,400	1,704	304
Consultants Fees	6,000	2,054	(3,946)
Consultants Fees Non Chargeabl	0	2,089	2,089
Consult Fees Part P Electri	1,000	9,935	8,935
Consultant FeesSTG Consultancy	6,000	6,013	13
Consultancy Public Protect	1,000	0	(1,000)
Clerking for Govenor Meetings	0	242	242
Land Registry Fees	1,000	370	(630)
Pager Mobile Phone	1,400	1,730	330
Call Costs	130	124	(6)

31st March 2012 Final Outturn Statement for STG Building Control Partnership

Subjective Description	Current Year Total Budget	2011/12 Outturn	Variance
Line Rental	270	171	(99)
Postage	7,000	6,011	(989)
Postage STG Consultancy	3,000	138	(2,862)
Computer Hardware	2,000	2,526	526
Computer Software	25,200	24,986	(214)
Subsistence	2,000	459	(1,541)
Subscriptions	7,000	7,736	736
Subscriptions STG Consultancy	2,000	465	(1,535)
All Risks Insurance	1,030	1,030	0
Officials Indemnity Insurance	500	500	0
Official Ind XS	0	0	0
Publicity	7,500	1,316	(6,184)
Publicity STG Consultancy	2,000	0	(2,000)
Publicity Public Protect	500	0	(500)
Miscellaneous Expenses	0	70	70
Advertising	500	0	(500)
Contribution to I.T. Reserves	2,000	44,894	42,894
Contribution to Bad Debt Provision	0	8,269	8,269
	114,940	142,339	27,399
Fin Mgmt SLA	10,100	8,100	(2,000)
Exchequer SLA	10,100	5,200	(4,900)
HR SLA	3,949	3,416	(533)
Org Dev SLA	2,929	2,534	(395)
Adv & Cons SLA	1,103	954	(149)
HR Ops SLA	858	742	(116)
HR Resource SLA	1,112	962	(150)
H&S SLA	1,159	1,002	(157)
IT Comp SLA	29,088	25,200	(3,888)
Legal SLA	10,100	118	(9,982)
	70,498	48,228	(22,270)
Conts from OLAs	(391,678)	(391,678)	0
	(391,678)	(391,678)	0
Fees & Charges General	(4,500)	(6,896)	(2,396)
Land Charges Fees	0	(26,915)	(26,915)
Building Control Fees	(1,056,452)	(787,308)	269,144
BldCtFeeConsultSTG Consultancy	(11,100)	(112,522)	(101,422)
Bldg Ctrl Regularisation	(30,000)	(57,140)	(27,140)
Bldg Cont Fees Part P	0	(3,061)	(3,061)
BldCtFees PartPPart P Electric	0	(6,749)	(6,749)
Lettings External	0	0	0
Advertising Income	0	(852)	(852)
Miscellaneous Receipts	0	(10)	(10)
	(1,102,052)	(1,001,452)	100,600
	1,450,660	1,393,130	(57,530)
	(1,493,730)	(1,393,130)	100,600
	0	0	0
	(43,070)	0	43,070