

SOUTH THAMES GATEWAY BUILDING CONTROL JOINT COMMITTEE

11 DECEMBER 2014

PROPOSED EXPANSION OF SOUTH THAMES GATEWAY BUILDING CONTROL PARTNERSHIP TO INCLUDE CANTERBURY CITY COUNCIL

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

Summary

A report was taken to Joint Committee on 2 October 2014 detailing the appraisal undertaken to demonstrate the benefits and implications of expanding the partnership with the inclusion of Canterbury City Council's building control service. On the 18 November 2014 Canterbury's Executive approved the principle of their building control service joining the partnership and this report seeks Joint Committee's approval for this expansion. Following agreement of the recommendations further reports will need to be taken to each of the partner's Cabinet to agree the proposal.

1. Budget and Policy Framework

- 1.1 The objective within the South Thames Gateway Building Control Business Plan 2012-2017 is to raise the profile of Partnership by developing a dynamic marketing strategy and pursuing the expansion of the Partnership through additional partners.
- 1.2 The Constitution for the South Thames Gateway Building Control Joint Committee allows the Joint Committee to agree to one or more local authority joining the partnership, subject to each of the Partner Authorities first approving the proposal.

2. Introduction

- 2.1 In 2013 Canterbury City Council reviewed an options appraisal for the provision of their building control service and their preferred option was to investigate joining the STGBC partnership so as to improve customer service and reduce expenditure.
- 2.2 A number of meetings have taken place between senior officers of Canterbury and STG's management team to prepare a way forward for this proposal. Contacts were set up between relevant officers at STG, Canterbury's building control operation, IT, HR, legal and finance in a similar way in which the partnership was originally set up. These

discussions are ongoing but are less complicated than in 2006 as the partnership has established processes and procedures which Canterbury will be adopting when they join.

- 2.3 The main areas to be resolved are the staff's TUPE transfer to Medway Council and the operation of the service which will be reliant on Canterbury transferring to the partnerships back office system, Tascomi. In order to improve service delivery Canterbury's building control applications will need to be made available digitally and accessible in a mobile working environment through the use of ipads.

3. Directors' Comments

- 3.1 Whilst discussions have been ongoing with Canterbury's Assistant Director, Regeneration & Development, for over a year, it was not until their Executive approved the principle of Canterbury joining the partnership that detailed proposals could be finalised and drawn up. Preparatory work is advancing as any transition will be more easily achieved with Canterbury's service joining the established processes within the partnership.
- 3.2 Appropriate officers were identified at Canterbury, STG and partnership authorities to discuss and resolve issues concerning the recognised working areas of legal, IT, HR, finance and building control operations. Whilst a number of discussions have taken place between the relevant officers in the groups, fully detailed briefings have not been included as Canterbury's commitment has not been ratified until the meeting in November. However, as issues are far less complicated than when the partnership was originally set up a harmonised approach is expected so as to facilitate operating the expanded partnership from 1 April 2015.

Legal

- 3.3 Preliminary discussions raised issues around the 5 year term of the partnership with Canterbury joining mid-term. Members may wish to alter the term of the partnership which currently stands at a review every 5 years with the next review at the end of September 2017. There are other minor changes relevant to the specifics around the number of authorities forming the partnership. If the authorities decide that Canterbury will join the current term of the Partnership, a 'deed of variation' of the partnership agreement will need to be entered into by the 3 existing partners and Canterbury. This deed will bind Canterbury to the terms of the existing agreement as varied, for example, to include the terms of the financial contribution of Canterbury and any changes to the existing arrangements which are necessary or agreed.

IT

- 3.4 Initial assessment reports of Canterbury's needs in moving to Tascomi were noted in October's Joint Committee report.

HR

- 3.5 Exchanges of policy and staff details were reviewed in a comparative appendix attached to the last report to Joint Committee. A TUPE meeting was held on 27 November where individual profiles will be examined. As with the transfer in staff in 2007 all current staff posts have been accounted for in the financial model and so all Canterbury staff will have the opportunity to take up a position at STG.

Finance

- 3.6 A financial model was presented to the last Joint Committee based on 2013/14 actual outturn and 2014/15 predictions for both STG and Canterbury. This model has now been tested against 2014/15 forecast budgets at the half yearly stage and found to be robust. Details of the forecast budgets and financial model have been circulated to both Gravesham and Swale for their financial officers to comment.
- 3.7 The contribution element shows what Canterbury would be contributing over the next 3 years and also demonstrates a slight saving for the three current partners against what was shown in the previous Business Plan. The plan is based on restricted recruitment to vacancy positions in both Canterbury and STG's structures. Planned recruitment will deal with the predicted workload and still maintain economies of scale in the operation.

Operations

- 3.8 Meetings have been held with the principal building control surveyor at Canterbury, his senior administrator and more recently the remainder of the staff to discuss how the operation would work. It was agreed that from the 1 April 2015 all new Canterbury applications would need to come through STG's head office and be logged and scanned into the Tascomi system.
- 3.9 Canterbury's site visits would be attended by a new team incorporating their existing staff and potentially two new staff members with the boundaries between Swale and Canterbury being removed so that the team dealt with Faversham and the southern side of Sittingbourne.
- 3.10 A second team would deal with the remainder of Swale and parts of Medway including Rainham, Wigmore, Gillingham and Lordswood, with a third team dealing with the remainder of Medway and the Gravesham area.
- 3.11 Surveyors would be equipped with ipads so that they could access the Tascomi system and each would be able to communicate through "Good software" enabling access to email communications.
- 3.12 The operation will rely greatly on remote working with members of the Canterbury team coming up to the head office once a week to deal with in-trays, amended plans etc, and having the opportunity to integrate with other staff members. Monthly technical meetings will continue to be held

with all surveyors attending to discuss operational, technical and interpretative issues so as to have a consistent approach across the area.

- 3.13 A hot desk arrangement will be available at Canterbury Civic Centre similar to that provided at Gravesham and Swale so that officers can work from that location without the need to return to the main office. There will also be availability to work at home or other agile working facilities.
- 3.14 The Business Plan looks to develop a paperless operation over the next year and early adoption of back-scanning of applications for Canterbury will be essential in achieving this. The transformation of the service will require at least 6 months and is planned between April to October 2015. This may require the provision of larger monitors at the hot desks of the satellite offices.
- 3.15 Good communication is essential to an effective operation and all surveyors will be provided with adequate smart phones and ipads so as to be fully contactable throughout the working day. The emphasis is on 'putting the customer at the heart of everything we do' as the majority of customer requests relate to site activity it requires an increasing presence on site and being proactive within the design and build programme.

Timescales

- 3.16 Due to the complex nature of the individual council meeting requirements and the intent to begin the partnership at the start of the new financial year there needs to be an approval process to take account of the relevant council deadlines for all four authorities as well as the initial approval by Joint Committee. Therefore, subject to each of these approvals for the new partnership to be in operation by 1 April 2015 the following outline timescale needs to be followed:
 - Canterbury's Executive approval in principle to join the partnership – November 2014
 - Joint Committee's approval in principle for Canterbury to join the partnership – December 2014
 - Gravesham, Medway and Swale Council's to ratify approval – January to February 2015
 - Final approval from Canterbury through their Executive and Full Council, including a nomination of their Joint Committee Member – January to February 2015

4 Finance and Legal Implications

- 4.1 The contribution payments which meet the cost of providing a public protection duties and responsibilities for the local authorities are currently Gravesham 20%, Medway 53%, and Swale 27%. The percentages are based on population and hereditaments. With Canterbury City Council joining the percentages would be adjusted to reflect Gravesham Council 15%, Medway Council 41%, Swale Council 21% and Canterbury City Council 23% again based on population. The resultant costs are shown for

financial year 2015/16 in Appendix 1 and the intention would be to reduce the contribution costs for each authority in 2016/2017 and 2017/2018. The figures are based on the following assumptions:

- 1% pay award
- 2% income increase per annum
- Reduction in supplies and services for 2017/2018.

- 4.2 The Partnership and Joint Committee operate under a memorandum of agreement signed by each of the authorities and whilst the majority of this will need a little alteration there will be some sections which will need to be revisited by representatives of the partnership's legal team at Gravesham and Canterbury's legal team so as an understanding and then agreement can be signed by all four authorities.

5 Risk Management

- 5.1 The risks that were outlined that went to Joint Committee in October 2014 will need to be mitigated by negotiation over the next 4 months and relate to scanning, harmonisation of IT systems and issues relating to TUPE transfer.

6 Recommendations

- 6.1 That the Joint Committee delegate authority to the Director of the South Thames Gateway Building Control Partnership, in consultation with the Officer Steering Group and the Heads of Legal departments at the partner authorities, to take all the necessary actions to enable the proposal of Canterbury City Council being included within the South Thames Gateway Building Control Partnership by 1 April 2015.

7 Suggested Reasons for Decisions

- 7.1 The financial analysis in Appendix 1 indicates the viability of the Partnership financially; however, there will be one off implementation costs which will need to be met by Canterbury City Council. Thereafter the partnership is likely to generate a cost reduction based on the creation of efficiencies, development of in-house capacity and leverage of economies of scale.

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Background papers

Development of the South Thames Gateway Building Control Partnership –
reported to Joint Committee 2 October 2014 (Exempt)

Appendix 1

Three year Budget Build and Contribution Calculation For 2015/2016 - 2017/2018 Incorporating Canterbury City Council						
		<u>2015/16 Budget</u>		<u>2016/17 Budget</u>		<u>2017/18 Budget</u>
Staffing		1,429,675		1,443,971		1,458,411
Premises		46,300		46,300		46,300
Transport		54,200		54,200		50,200
Supplies and Services		114,570		114,570		104,130
Support Services		58,994		58,994		58,994
	Total Cost:	1,703,739		1,718,035		1,718,035
Contributions		(371,937)		(359,597)		(322,428)
Fee Income		(1,331,802)		(1,358,438)		(1,385,607)
Total Income		(1,703,739)		(1,718,035)		(1,718,035)
Chargeable 78%		(1,331,802)				
Non-Chargeable 22%		(371,937)				
		(1,703,739)		0		0
Chargeable 79%				(1,358,438)		
Non-Chargeable 21%				(359,597)		
		0		(1,718,035)		0
Chargeable 81%						(1,385,607)
Non-Chargeable 19%						(332,428)
		0		0		(1,718,035)
<u>Authority and Agreed Percentage</u>		<u>2015/16 Budget</u>		<u>2016/17 Budget</u>		<u>2017/18 Budget</u>
Gravesham - 15%		55,791		53,940		49,864
Swale - 21%		78,107		75,515		69,810
Canterbury - 23%		85,546		82,707		76,458
Medway - 41%		152,494		147,435		136,295
		371,937		359,597		332,428