

SOUTH THAMES GATEWAY BUILDING CONTROL JOINT COMMITTEE

11 DECEMBER 2014

SOUTH THAMES GATEWAY BUILDING CONTROL BUSINESS PLAN 2015/2018

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

Summary

The report sets out revised proposals for the South Thames Gateway Building Control Draft Business Plan and Delivery Plan for 2015-2016 following consultation. It seeks agreement to refer the revised documents to the Cabinet of each partner authority.

1. Budget and Policy Framework

1.1 Following presentation of the draft Business Plan at Joint Committee on 2 October 2014 the Plan has now been circulated for comments and Joint Committee is required to agree any revisions.

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
- 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.
- By no later than 5 January the Joint Committee has to send a revised draft to each Partner Authority for their final approval.
- 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.

3. Executive Summary

3.1 The Business Plan (Appendix A) outlines how the building control function will be delivered on behalf of the three partnership Council's up until 2018 and indicates what the reduced contributions will be between 2013 to 2018.

3.2 The amended plan presented to Members for final consideration indicates the three agreed objectives:

- To improve customer service utilising IT development and increased customer interaction.
- Increase opportunities for protecting and capturing market share.
- Development of consultancy services with dedicated staff under separate company.

The plan also includes action plans and targets to achieve these objectives.

Our key projects for 2015/16 will be:

- The improvements in IT allowing greater flexibility in the way we work.
- Improvements required to the quality and consistency of plan checking and site inspections.
- Improvements to the speed of turnaround of applications.
- Access to reliable and consistent advice through the provision of a duty surveyor.
- Enabling customer service improvements for tracking applications and carrying out searches.
- The need to develop the consultancy as a commercial arm of STG.

3.3 These items will form the focal point in the year ahead and underpin the objectives in the delivery plan (Appendix B). With continued support from the three authorities and the likely expansion of the partnership delivery on these objectives will build on the reputation of delivering a first class service to customers and stakeholders.

3.4 Total contributions will have reduced for the current three partners by £61,472 between April 2012 and March 2016 in the current arrangement. Should the partnership be extended the saving to the current three partners would increase to £65,291.

3.5 The next phase of the Partnership will not only consolidate the successes of the past five years but continue the expansion of services, staff development and improved customer service which the investment of the three Partner Authorities has allowed.

4. Financial Implications

- 4.1 Figure 1 of Appendix 1 shows the financial plan based on the three current members of the partnership and demonstrates a 2% saving on the previous Business Plan projection.
- 4.2 Should the proposed expansion of the partnership take place as planned in April 2015, the Business Plan will be revised to incorporate four partners and further savings will be generated as shown in figure 2.
- 4.3 The yearly contributions from the constituent authorities are shown in the financial plans and will be ratified by the acceptance of the Business Plan.

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 Should chargeable applications and therefore income fall below expectations and outside of any mitigating proposals put forward to enable a zero based budget there may be further calls on the contributions from each of the partner authorities. However, this would be only applied for as a last resort.

7. Recommendations

- 7.1 The Joint Committee is asked to approve the updated version of the Business Plan, now incorporating any comments received, and refer it to the Cabinet of each partner authority to approve the Final Draft Business Plan.
- 7.2 The Joint Committee is also asked to note the final contributions figures, which will be included in each authority's budget planning process for 2015/16.

8. Suggested Reasons for Decisions

- 8.1 The Joint Committee has a duty under the Memorandum of Agreement to formally consult with partner authorities on the draft Business Plan.

Lead officer contact

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Background papers: None

Financial Plan

Three year Budget Build and Contribution Calculation For 2015/2016 - 2017/2018 (including comparative 2014/2015 budget) for Three Authority Partnership

	<u>2014/15 Budget</u>	<u>2015/16 Budget</u>	<u>2016/17 Budget</u>	<u>2017/18 Budget</u>
Staffing	1,129,538	1,128,751	1,139,751	1,150,861
Premises	102,532	46,300	46,300	46,300
Transport	46,580	42,350	42,350	42,350
Supplies and Services	108,030	108,970	105,970	108,970
Support Services	58,210	52,910	52,910	52,910
Total Cost:	1,444,890	1,379,281	1,387,281	1,401,391
Contributions	(303,427)	(290,300)	(278,076)	(266,853)
Income	(1,141,463)	(1,088,981)	(1,107,822)	(1,134,538)
Total Income	(1,444,890)	(1,379,281)	(1,387,281)	(1,401,391)
Chargeable 79%	(1,141,463)			
Non-Chargeable 21%	(303,427)			
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Non-Chargeable 20%			(278,076)	
	0	0	(1,387,281)	0
Chargeable 81%				(1,134,538)
Non-Chargeable 19%				(266,853)
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Authority and Agreed Percentage	<u>2014/15 Budget</u>	<u>2015/16 Budget</u>	<u>2016/17 Budget</u>	<u>2017/18 Budget</u>
Gravesham - 20%	60,685	58,060	55,616	53,371
Swale - 27%	81,925	78,381	75,080	72,050
Medway - 53%	160,817	153,859	147,380	141,432
	303,427	290,300	278,076	266,853

[Figure 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:	<u>1,703,739</u>	<u>1,718,035</u>	<u>1,718,035</u>
Contributions	(371,937)	(359,597)	(322,428)
Fee Income	(1,331,802)	(1,358,438)	(1,385,607)
Total Income	<u>(1,703,739)</u>	<u>(1,718,035)</u>	<u>(1,718,035)</u>
Chargeable 78%	(1,331,802)		
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Non-Chargeable 21%		(359,597)	
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Chargeable 81%			(1,385,607)
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<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
	<u>371,937</u>	<u>359,597</u>	<u>332,428</u>

[Figure 2]



Building Control Partnership Business Plan 2015-2018



Director
Version No.
Last updated

Tony Van Veghel
3
21 November 2014

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1. Executive Summary

- 1.1. The next three-year business plan covers the period 2015 to 2018 and will focus on:
 - Further improvements to customer service utilising IT development and customer interaction.
 - Increased opportunities for income generation protecting and capturing market share.
 - The development of consultancy services with dedicated staff to service provision in a separate company.
- 1.2. These are essential to the continued success of the partnership and to meet the future demands of our customers. They consolidate the current five objectives and have been discussed and agreed with stakeholders.
- 1.3. The improved construction economy has created increased competition for both work and staff across the sector. There has been little investment in development of new staff across the industry, so recruitment and retention of staff is becoming as important a driver for the success of the partnership as it was in 2006.
- 1.4. The development of a new IT system will play an intrinsic part in improving customer service whilst reducing operating costs. There is a need to invigorate the new marketing strategy to ensure work is captured both regionally and nationally. The market place has changed in that some of our major competitors are no longer local to the area but come from the Midlands and the North of England. Delivering services traditionally is no longer economical to local authority building control and a wider audience needs to be captured.
- 1.5. It is no longer viable to deliver the myriad of inspections ranging from simple or complex without matching the appropriate resource. With the advent of agile working it is possible to target resources in a much more effective way, delivering good value to customers on site. The return on investment on the web based product will allow increased inspections to be carried out by surveyors each day without the need to attend the office. Recruiting different levels within the building control range will allow for an appropriate level of skill and experience to be allocated to each site inspection.
- 1.6. It will also free up key account holders to properly manage their customer accounts and deliver a more focused service so as to retain their client base. With increased competition we need to be able to maintain and develop our client base, in the first instance through an improved service which not only delivers value for money but also meets clients' wants as well as their needs. This will require an investment in time by the surveyors as well as tangible improvements to the service delivering, application monitoring, self service research, real time information, text notification of inspections and where appropriate intermediate reports, 'closeout' meetings and the final reports indicating the value of using our service.

- 1.7. This will require radical change both to the way we deliver the service and the structure which is needed to meet this demand.
- 1.8. New structures will require additional funding and these needs to be self generated through increased market share, improved marketing and further diversification to increase income generation through the consultancy arm.
- 1.9. The consultancy has matured now to the point where officers need to be dedicated to various roles rather than reacting to ad hoc requests. This will require the consultancy to be delivered through a different vehicle so as to be commercially viable and return a profit which can be reinvested into the partnership. A bid for a government grant funding to look at this aspect of development has already been lodged and further opportunities to lever in money into such a venture will be pursued.
- 1.10. The partnership is funded through three income streams which support the chargeable (competitive building regulation market), the non-chargeable (duties and responsibilities of local authorities) and the consultancy (complementary services to the building industry).
- 1.11. Each of these are currently non-profit making and provided a restructure allocates the correct resource to the function, the first two should remain so and be compliant with both charges legislation and the standing orders of each authority. A restructured staffing resource will need careful change management considerations so as to provide sufficient technical and professional support to deliver these services.
- 1.12. The provision of a commercially viable consultancy service offers new opportunities to increase services and revenue through a profit-making local authority company or social enterprise.

2. Financial Plan

2.1. Members have requested that the format of the Business Plan changes to a 3 year rolling programme. This will take the forecast beyond the end of the current second term which finishes in September 2017. However, Members have endorsed the likely progression of the partnership beyond that period and the new arrangement will allow for the agreed contributions to feed into each authorities medium term financial plan.

2.2. The financial plan, in figure 1, is based on the following pressures:

- An increase in salary costs of 1% per annum
- A nominal increase in transport costs associated with increased visits by surveyors
- A required 3% increase in overall income generation

and the following savings:

- A 30% reduction in accommodation and premises costs
- A 5% reduction in supplies and services costs per annum
- A 4% reduction in salary savings following first phase restructure

2.3. This will generate a further 2% saving on contributions required by the partner authorities compared with the previous business plan.

2.4. Should the proposed expansion of the partnership take place as planned in April 2015, the Business Plan will be revised to incorporate four partners and further savings will be generated as shown in figure 2.

2.5. Total contributions will have reduced for the current three partners by £61,472 between April 2012 and March 2016 in the current arrangement. Should the partnership be extended the saving to the current three partners would increase to £65,381.

2.6. The original Business Plan developed by PML, in 2006, included a paragraph stating that “the advances paid by Gravesham and Swale Councils would be repaid from future surpluses.”

2.7. The Constitution includes in Clause 3.14.8.1 “Gravesham and Swale have at commencement contributed to the partnership from their respective building control chargeable accounts their respective surpluses existing at 30 September 2007 and Medway has at commencement contributed to the partnership by means of setup and implementation costs.”

2.8. Clause 3.14.8.2 goes on to say “they shall within 6 months of commencement agree the manner in which the budgetary contributions of the councils shall be reduced during the term in order to offset the surplus paid by Gravesham and Swale and Medway’s contributions to setup and implementation referred to in Clause 3.14.8.1.”

- 2.9. At Joint Committee on 25 September 2008 Members agreed “that the advances for the setup costs of the partnership be the first call on any future surpluses achieved through the provision of consultancy services”.
- 2.10. Up until now the provision of consultancy services has been provided under provisions that require it to be on an ‘at cost’ basis and therefore not able to generate a surplus.
- 2.11. A bid is currently with the Government called the “Transformation Bid” to obtain grant money to explore the most appropriate delivery model for the consultancy now it has been established with the proviso that the delivery model should be commercially based and able to achieve a surplus.
- 2.12. Within this Business Plan it has been explained that we need to operate the consultancy as a commercial arm of STG with the ability to generate a surplus.
- 2.13. Actions are contained within the Delivery Plan to identify the accumulated reductions referred to within the Constitution and determine as and when surpluses are generated by a new commercial consultancy as to what proportions those surpluses should be reimbursed to the three partner authorities.
- 2.14. At Joint Committee on 2 October 2014 Members agreed the following principles:
- 2.14.1. The key priority must be to protect STG's financial position and its ability to provide a sustainable service, on the basis of a break even budget or, if possible, making a surplus, particularly within the consultancy arm.
 - 2.14.2. The first priority for spend of any budget surplus would be for any required and necessary investment in the service and/or the provision of an appropriate budget reserve.
 - 2.14.3. Once appropriate and necessary investment in the service has been made and appropriate budget reserves put aside, any budget surplus from the consultancy arm will be ring fenced to repay initial start up costs. On this basis only surpluses generated by the consultancy arm of the partnership will be ring-fenced specifically for the purposes of repaying initial start-up costs as listed above, with repayment of such costs being on a proportionate basis in line with the start up costs provided by each Partner organisation. The exact mechanism for this repayment to be delegated to the Officer Steering Group for their consideration and agreement in due course. The purpose of such a mechanism will be to ensure that all partners eventually receive back those funds initially invested.
 - 2.14.4. At the same time a financial incentivisation scheme will be agreed by the Officer Steering Group, to ensure all three councils are encouraged to use STG's services for construction and other projects.

- 2.14.5. Future reductions in annual deficit contributions by partner organisations will be treated and recorded as being an element of repayment to each partner organisation in relation to initial start-up/administration fees incurred.
- 2.14.6. The creation of a stand-alone consultancy arm be used as the primary means of repaying initial start-up funds/administration overheads (with the necessary financial support being committed by each Partner as a means to facilitating this should the bid for Transformation Grant funding be unsuccessful).

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[Figure 2]

3. Background

- 3.1. South Thames Gateway (STG) is a Partnership of three authorities (Gravesham Medway and Swale) that was established on 1st October 2007 to build in resilience for the building control service across the Thames Gateway area.
- 3.2. STG Building Control was founded on the extensive knowledge, experience, integrity and professionalism of the building control team to deliver a first class service to a population of over 470,000 people covering some 257 square miles of Kent.
- 3.3. The Partnership in fact delivers three complimentary services that impact on the health and safety of people living, learning, working or visiting the area.
 - The building regulation service which consists mainly of checking building plans, the inspection of building works in progress and appropriate enforcement to ensure all relevant building work complies with the building regulations.
 - A public protection service which includes both inspections and information which councils are required to provide, for example, dangerous structures, demolitions, unauthorised works, competent person schemes and the initial notices register.
 - A consultancy which delivers additional discretionary services including energy, fire risk, access and Code for Sustainable Homes assessments together with SAP and Sbem calculations and the provision of clerks of work to oversee Decent Homes and Condition surveys for local authority housing stock.

4. Review

- 4.1. The construction industry showed signs of a recovery in 2013/14 with applications around 19% higher than the previous year; however, income remained about the same. This was an indication that much of the increased activity was in the lower value domestic market.
- 4.2. Significantly, this sector has also seen a sharp rise in competition for the work, which has been reflected across the south-east. As demand has increased so too has the competition for surveyors to deliver the service and this has put a pressure on all local authorities who are not able to match the remuneration packages available in the private sector.
- 4.3. Improvements to the partnership's working practices began towards the end of the year driven by the adoption of the new computer system. This web based product is able to deliver the service remotely wherever access to the Internet is available. Further development throughout 2014/15 has allowed for implementation of a mobile environment whereby surveyors can access and input to the system recording inspections in real time and improving the service to customers. The development of a change in working practices also allows for an increased number of inspections to be carried out per surveyor.
- 4.4. Negotiations have continued with Canterbury City Council for them to join the partnership, increasing its capacity and its potential to develop further complementary services for the building industry.

5. Strategic Vision

IT

- 5.1. The adoption of the new IT system will enable the development of an improved customer service based on a better interaction between the partnership and its clients. The increased use of email and electronic communication will speed up requests for further information and the delivery of approvals and completion certificates. There will be further developments in self service by customers giving them a wider access to information and records pertinent to their applications. A system will be developed so that applications can be tracked through the process giving the opportunity for customers and agents to comment at various milestones through the approval process allowing for informed discussion at the project planning stage. There will also be the availability for surveyors to record inspections, contraventions, all requests for further information on site and in real time so that clients have a true reflection of the outcome of a site inspection rather than relying on feedback from their builder.
- 5.2. For more complex projects there will be the opportunity to prepare and submit interim and final reports so as to highlight the benefits and cost savings that have been possible through using the partnership.

Working Differently

- 5.3. The provision of agile working should open up a number of opportunities to use the staff resources in a more effective way. Staff will not need to return to the office and therefore can use their time or effectively in dealing with site inspections with an increased number of inspections possible per surveyor. Reliance on a paper based file and plan will not be an issue, therefore the monitoring of sites can be more proactive as can the pursuit of an authorised works which will not be dependent on records held in the office.
- 5.4. In order to address the issue of a consistent approach a number of quality controls need to be introduced to both the plan vetting and site inspection services and future development of a structure which separates out the two functions and dedicates personnel to, will form part of the delivery plan. Further changes will also be investigated so as to resource the servicing of domestic and non-domestic work with appropriately qualified and experienced staff. As domestic work accounts for approximately 74% of applications but only generates 50% income, resources need to reflect the complexity of work being examined. Similarly with 26% of non-domestic applications generating the other 50% of income it is important to provide the correct calibre of staff to deliver a comprehensive professional service to these clients who are subject to greater competition.
- 5.5. Further examination of these arrangements will be undertaken through the life of the business plan to determine if dedicated resources can be appropriately assigned to relate to the cost of chargeable and non-chargeable works. A further work stream will examine the most appropriate delivery model for the

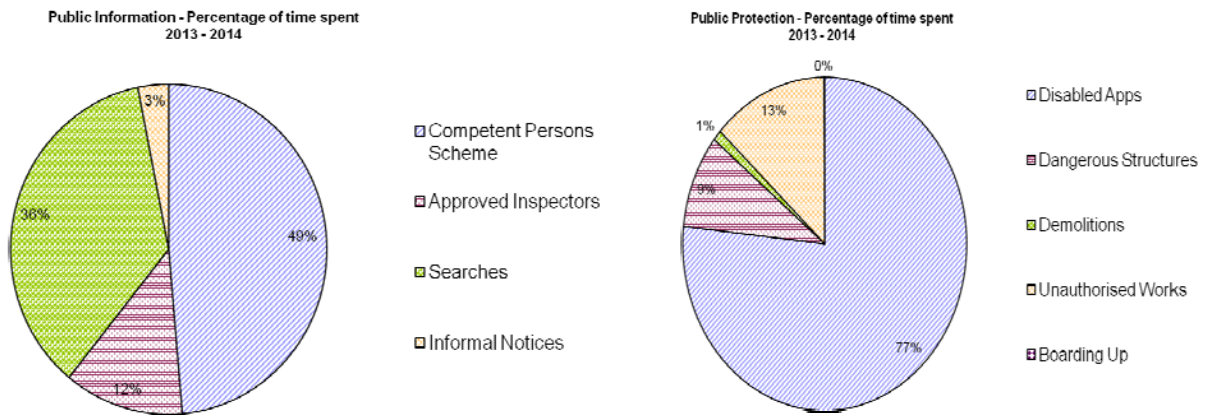
consultancy, with appropriate dedicated staff, services could be extended and with a revised marketing strategy that looks at the wider market opportunities to generate additional income and surplus so as to build in further resilience to the partnership.

Cost saving / Income generation

- 5.6. Accommodation costs have been reduced by 48% with the move to Rochester which has been assisted by the introduction of agile and mobile working. The majority of savings have been achieved by reduction in footprint of the new accommodation which greatly reduces the rent and rate expenditure. With the changes in working practices we are able to accommodate a number of hot desks to be used by those surveyors required to return to the office.
- 5.7. The first phase of restructuring will see teams move from a geographical basis to a functional basis. This will allow for an overall reduction in surveying staff from 2013/2014 levels with surveyors able to deliver a greater number of inspections per day. This will achieve a 4% salary saving against the previous financial plan.
- 5.8. This use of electronic mail will reduce postal costs and the delivery of plan checking online will deliver savings on printing as well as providing less reliance on printer plans on site. Overall a 5% reduction per annum in the supplies and services budget will be available.
- 5.9. A 1% reduction in contribution costs is illustrated within the plan based on efficiency savings available through the new IT system. In respect of reduced costs associated with inspections and an improved competent person registration and processing.
- 5.10. As well as cost savings, opportunities exist for increased income generation. Winning and maintaining market share is vital to the continued success of the partnership. The provision of an excellent service to existing customers must retain market share with improved account management. A revised marketing strategy will look to improve market share, widening services available through the consultancy ensuring competitive price.

Partner contributions

- 5.11. The partner contributions pay for much of the partnerships works that is designated as public protection and often falls as duty or responsibility on the Local Authority such as: disabled persons applications, dangerous structures, demolitions, unauthorised work and enforcement and the administration of approved inspector legislation.
- 5.12. The charts below show comparisons of the time spent on non-fee chargeable work through public protection and public information for 2013/2014.



5.13. The 77% of time spent dealing with disabled person applications has proved a very expensive service for the partnership as whilst the works are seldom of a complex nature they impact heavily on a surveyors' time. Part of the restructure will look to take on less qualified staff who can become specialised in this area and will reduce the costs per application.

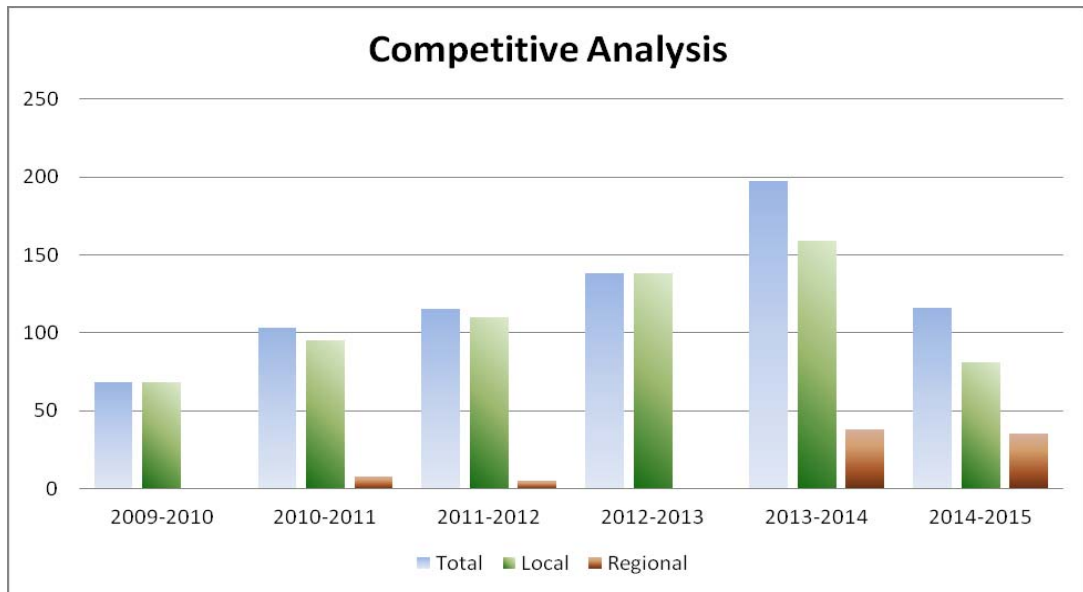
5.14. The time spent on dangerous structures does, however, often require highly qualified or regular visits and again is an expensive burden on contribution funding. Through 2015/2016 we will examine if insured dangerous structures can be pursued to reclaim the local authority costs as this could be used to reimburse the authority for dealing with the issue.

5.15. Some improvements to the way the 25,000 competent person certificates are lodged has already taken place and through 2015/2016 there will be further improvements to the system so as to reduce technical assistant time on this function.

5.16. By these improvements costs will be reduced to the partners throughout the Business Plan until 2018. By that time if no further savings can be made in efficiencies the opportunity will exist to reduce contribution costs by supplementing the charge with the consultancy surplus.

Competition

5.17. The building regulation market is highly competitive. The chart below compares the number of initial notices received each year against the number received from local and regional placed approved inspectors



5.18. A significant trend has occurred over the last 2 years where regional, and sometimes national, approved inspectors are competing for work in the area. Initial notices from the Midlands and even Newcastle are not unusual and revised legislation allows for the initial notice to be signed by the approved inspector rather than the client. This has led to confusion with some customers unaware who is dealing with their project.

5.19. This trend is not confined to STG or Kent but is a regional issue throughout London and the SouthEast. Further work with Local Authority Building Control (LABC) and their marketing team as part of our marketing strategy will be designed to win back market share. We will continue to work with partner architects under the agreed LABC partnering scheme and will endeavour to increase the number of partners to improve upon market share.

5.20. We currently have 70% of market share and will look to improve this to 75% by end of 2016.

The way forward

5.21. A productive away day was carried out in July 2014 focusing on the direction of the Business Plan. The revised objectives are as a result of the interaction with staff and stakeholders in identifying improvements to the service.

5.22. A SWOT analysis has been undertaken to determine where we are now and where we want to be. Amongst the main points raised were:

- The improvements in IT which allow greater flexibility in the way we work.
- Improvements required to the quality and consistency of plan checking and site inspections.
- Improvements to the speed of turnaround of applications.
- Access to reliable and consistent advice.
- The need to change service delivery to meet customer wants as well as their needs.

- The need to resource adequately to meet demand across the range of services.
- The need to develop the consultancy as a commercial arm of STG.

5.23. These items will form the focal point in the year ahead and underpin the objectives in the delivery plan. With continued support from the three authorities and the likely expansion of the partnership delivery on these objectives will build on the reputation of delivering a first class service to customers and stakeholders.



Building Control Partnership Delivery Plan



Director
Version No.
Last updated

Tony Van Veghel
1
08 September 2014

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1. SERVICE DELIVERY PLAN – 2015-2016

1 Objective		Improve customer service utilising IT development and increased customer interactions			
Action	Output	Impact	Resources	Milestones/P.I.s	Lead Officer
1.1 Development of on-screen plan vetting	Acquire larger scale monitors	Increased plan checking within performance targets and reduced costs	Within current budget	May 2015	Phil Harris
	In-house training to all surveyors		Within current training budget	June 2015	Phil Harris
	Monthly and 3 monthly review of use and output		Within current budget	July to September 2015 monthly then 3 monthly	Derek Base / Robert Wiseman
1.2 Implementation of real time inspection records	Information updated at time of inspection on database	Improved customer information	Within current budget	June 2015	Derek Base / Robert Wiseman
1.3 Increase the number of site inspections per surveyor	Number of inspections per surveyor increased by 20%	Achieving new target time per visit	Within current budget	Quarterly review	Phil Harris
1.4 Achieving national performance indicator for plan	85% plan vets within 10 working days, 100%	Improved turnaround time	Within current budget	Quarterly review, monitoring report	Phil Harris

1 Objective		Improve customer service utilising IT development and increased customer interactions				
Action	Output	Impact	Resources	Milestones/P.I.s	Lead Officer	
	vetting	within 15% working days	for plan vetting		and covalent	
1.5	Improve consistency to plan vetting and site inspection with the development of function based teams	Restructuring group to accommodate functional teams	Change in working practices for surveyors	Within current budget	June 2015	Tony Van Veghel
		Appointing dedicated team leaders to oversee consistency and quality checks	Improve consistency	Within current budget	August / September 2015	Tony Van Veghel / Phil Harris
		Monitoring consistency and provide training where required	Improved consistency for both plan vetting and site inspection records	Within current budget	Monthly monitoring until March 2016	Derek Base / Robert Wiseman
1.6	Tracking of applications via website and refine self-serve search facility	Identify funding to develop new website	Web capable of delivering customer tracking	To be investigated	End April 2015	Janine Boughton
		Development of website		To be investigated	October 2015	Janine Boughton
		Testing of enabling customer viewing of	24 hour access for customers to	Within current budget	March 2016	Janine Boughton

1 Objective		Improve customer service utilising IT development and increased customer interactions			
Action	Output	Impact	Resources	Milestones/P.I.s	Lead Officer
	current stage of application	view stage of application			
1.7 Improved communication with customers	Automated notification of inspection on booking	Confirmation of site booking to customer	To be investigated	End April 2015	Janine Boughton
	Greater use of email communication to customers	Faster and immediate notification	Within current budget	June 2015	Janine Boughton / Phil Harris
	Notification to customers prior to visit by surveyor	Confirmation of time of visit to customer	Within current telephone budget	August 2015	Derek Base / Robert Wiseman

2 Objective		Increase income generation by increasing market share and further expansion of partnership				
Action		Output	Impact	Resources	Milestones/P.I.s	Lead Officer
2.1	Expansion of partnership to incorporate Canterbury Building Control	Increase resource to partnership to retain and improve resilience	Wider opportunities to generate income	Within agreed budget	April 2015	Tony Van Veghel
		Restructure and realignment of boundaries	Change in working practices for surveyors	Within agreed budget	September 2015	Tony Van Veghel
2.2	Develop account management	Greater frequency in engaging with partners	Retention of partners and market share	Within current budget	Quarterly	Derek Base / Robert Wiseman
2.3	Develop marketing strategy for 2016/2017	Strategy incorporating restructured building control and new commercial consultancy	Increase market share and generate additional income	Transformation bid and marketing budget	September 2015 to March 2016	Janine Boughton / Tony Van Veghel
2.4	Provision of additional complimentary services	Identify additional services and resources which can be delivered to the public and private sector	Expand consultancy services and generate additional income	Within current budget / self-financing	June 2015	Tony Van Veghel / Phil Harris
		Market additional services		Within current budget / self-	July 2015 to September 2015	Tony Van Veghel / Phil Harris

2 Objective	Increase income generation by increasing market share and further expansion of partnership				
Action	Output	Impact	Resources	Milestones/P.I.s	Lead Officer
			financing		
	Monitor and review consultancy	Determine performance and income	Within current budget	November 2015	Tony Van Veghel / Phil Harris

3 Objective		Development of consultancy services with dedicated staff under separate company			
Action	Output	Impact	Resources	Milestones/P.I.s	Lead Officer
3.1 Investigate setting up separate company	Engage consultants to investigate appropriate delivery model	Report to be taken to Joint Committee	Transformation bid	May 2015	Tony Van Veghel
	Appoint appropriate qualified and dedicated staff	Focus delivery model to customers	Invest to save / self-financial	October 2015	Tony Van Veghel / Consultancy Manager
	Increase services to a wider market (regionally and nationally)	Wider opportunities to generate income	Self-financing / return on investment	March 2016	Consultancy Manager
3.2 Determine the distribution of surpluses	Working group set up to reach agreement on the percentage split of any commercial surplus	Agreed mechanism and time period for repaying original setup costs	Within Partner Authority budget for officer time	June 2015	Joint Committee Members, Steering Group Officers, Financial Officers, Legal Officers

2. CONTRIBUTION AND SUPPORT FOR COUNCILS PRIORITIES

2.1. As STG is a Partnership of three authorities, it is important that its values reflect those of the three councils.

Gravesham's priorities are:

- to achieve a safe, clean and green place of choice
- to foster vibrant and cohesive communities with affirmative action to promote meaningful engagement, diversity and social inclusion, health and well-being, leisure and culture
- to seek to provide and work with others to ensure quality and affordable housing
- to secure a sustainable and buoyant economy, particularly in the town centre and Ebbsfleet, with attractive investment opportunities and a developing tourism market and to maximise regeneration opportunities for the benefit of existing and new communities
- to invest in the future of Gravesham through development of its youth
- to transform the council into an economically sound organisation delivering excellent accessible services that provide value for money.

Medway's priorities for the next three years are:

- Safe, Clean and Green Medway
- Children and young people have the best start in Medway
- Adults maintain their independence and live healthy lives
- Everybody travelling easily around Medway
- Everyone benefitting from the area's regeneration

Medway Values

- Putting the customer at the centre of everything we do
- Giving value for money

Swale's priorities are:

- Healthy environment
- Open for business
- Embracing localism

2.2. There are clear links between the three and all revolve around regeneration and sustainability, maximising opportunities for local communities and delivering quality services. These are also encompassed in the values of putting the customer at the heart of everything we do and giving value for money.

Regeneration

Linked to Council Priorities:

- to secure a sustainable and buoyant economy, particularly in the town centre and Ebbsfleet, with attractive investment opportunities and a developing tourism market and to maximise regeneration opportunities for the benefit of existing and new communities - Gravesham priority
- Everyone benefitting from the area's regeneration – Medway priority
- Healthy environment – Swale priority

2.3. Our consultancy is now able to offer a range of services to the major regeneration projects in the area. Early intervention in the design process will eliminate issues that could provide conflicts with legislation at a later date. Our range of services include:

Code for sustainable home assessment, SAP calculations, SBEM calculations, Display Energy Certificates, Access Audits and Fire Risk Analysis and reports.

We have also teamed up with colleagues LABC Services, the commercial arm of LABC, through whom we are able to offer air pressure testing, acoustic testing and have access to CDM co-ordinators together with other expertise and specialism's which we are now able to facilitate.

- 2.4. We also work with colleagues in Private Sector Housing and Environmental Health to aid the transformation of areas through social regeneration, providing advice on bringing back into use empty and dilapidated properties, houses in multiple occupation and the refurbishment and repair of commercial premises. We have a number of joint meetings with Registered Social Landlords (RSL's) and have shared technical updates through the seminars we have organised.
- 2.5. We offer the design and surveying team expertise in the design of many adaptations to Medway's schools, and have partnered with a number of architectural practices that are working through programmes of school extensions and adaptations. We work with Medway Education and Business Partnership to assist in work experience for school leavers.

Links to STG Delivery Plan Reference:

- Objective 3 (see page 9)

Sustainability

Linked to Council Priorities:

- to achieve a safe, clean and green place of choice – Gravesham priority
- A clean and green environment – Medway priority
- Healthy environment – Swale priority

2.6. Building Control has a major part to play in ensuring the innovative designs for the regeneration of the area are still compliant with the Building Regulations. As sustainability is an important part of the Government's agenda to reduce CO2

emissions and reduce energy costs for everyone, the adaption and renovation of buildings within the area, together with control of new buildings will ensure the impact on the environment and energy bills are kept to a minimum.

2.7. The Government have stated:

“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 by cutting emissions by 34% of the 1990 levels.

With around half of the CO² emissions coming from building energy use, the Building Regulations are a key part of Government efforts to tackle climate change through higher building standards. CLG recognise that Building Control professionals are at the forefront of these efforts.”

2.8. A major impact on the repair and maintenance of housing stock will be the effect of Green Deal. The Green Deal is a new Government initiative that is designed to bring together business and home owners to employ more green technologies in their properties. The idea is to install this technology to the property with no upfront costs as the costs will be paid back through energy bills over a period of time. This is unlike a conventional loan because if the owner moves out of the property the bill stays with the property where the savings are occurring and does not move with the bill payer. The golden rule of the Green Deal is that the expected financial savings must be equal to or greater than the costs attached to the energy bill.

2.9. The Green Deal was introduced by the Energy Act 2011 which has three principle objectives: tackling barriers to investment in energy efficiency; enhancing energy security; and enabling investment in low carbon energy suppliers. The Green Deal creates a new financial framework to enable the provision of fixed improvements to the energy efficiency of households and non-domestic properties, funded by a charge on energy bills that avoids the need for consumers to pay up front costs. It includes provisions to ensure that from April 2016 private residential landlords will be unable to refuse a tenants reasonable request for consent to energy efficiency improvements where a finance package, such as Green Deal and/or the Energy Company Obligation is available.

2.10. The Government are also revitalising the Home Energy Conservation Act requiring all English local authorities to report a proposed energy conservation measure to improve the energy efficiency of their residential accommodation as the Green Deal can enable them to achieve this.

2.11. New proposals to simplify and streamline housing standards for house builders are out for consultation. The consultation sets out a number of planned changes to housing standards which include phasing out the code for sustainable homes and introducing minimum space standards for new housing. The DCLG have said that the new proposals would “help free up the industry, support growth and get high quality homes built”. The intention is to move more of the sustainable section of the code to the Building Regulations so that

they can be controlled nationally with space standards included in planning legislation.

2.12. The Government are also consulting on Allowable Solutions, a key measure by which house builders will ensure that all new homes are zero carbon by 2016. Allowable solutions is the overarching term for the carbon offsetting projects or measures which house builders may support to achieve the zero carbon homes standard. These are:

- Undertaking the full 100% of carbon abatement on site through connected measures.(eg, a heat network)
- Meeting carbon reductions through off site actions such as improving other existing buildings (eg, retrofitting), renewable heat or energy schemes, or by building to a higher standard than the current Part L requirements.
- Using a third party allowable solutions provider to deliver carbon abatement measures for them which are sufficient to meet the house builders obligations.
- Paying into a fund which invests in projects which will deliver carbon abatement on their behalf.

These allowable solutions will form an integral part of achieving zero carbon and will need to form the basis of both the building control and consultancy pre-application discussions STG will have with clients.

2.13. This key message from the Government and the demand from the construction industry for pre-application advice and discussion mean it is imperative that STG invest in continually training staff to provide the lead and the service that is required. This necessary training will ensure that sufficient qualified staff are available to provide a design service through the consultancy, and a checking service through the administration of the Building Regulations without compromising the necessary checks and balances which need to be in place to ensure complete scrutiny in both the design and checking processes, similar to that which exists in private sector competition.

Links to STG Delivery Plan Reference:

- Objective 3 (see page 9)

Maximising Opportunities for local communities

Linked to Council Priorities:

- to foster vibrant and cohesive communities with affirmative action to promote meaningful engagement, diversity and social inclusion, health and well-being, leisure and culture – Gravesham priority
- to seek to provide and work with others to ensure quality and affordable housing – Gravesham priority
- to invest in the future of Gravesham through development of its youth – Gravesham priority
- Children and young people having the best start in life – Medway priority

- Older and vulnerable people maintaining their independence – Medway priority
- Embracing localism – Swale priority

Through our work with the housing sections of the partner authorities we help to deliver improvements to council owned properties through the Decent Homes, condition surveys and fire risk assessments. During these surveys we also assess health and safety requirements of the occupants and impacts on the community.

- 2.14. Through joint training, guidance and information sheets, together with builder and architect forums, the Partnership aims to support all of our customers in their building projects. Over the next 3 years mini guides will be developed both locally and nationally to cover general standards of construction on many projects in the domestic market such as garage conversions, small extensions and removal of load-bearing walls. This will assist in ensuring a consistent approach to the many challenges, the multitude of complex and interactive regulations now presents to every development.
- 2.15. Inclusive design is a paramount requirement of both newbuild and refurbishment works. Advising on compliance with The Equalities Act and Part M of the Building Regulations is a major part of public protection inspection services (non-fee earning) work. This not only delivers a more suitable environment for disabled people, but also transfers the benefits to the greater community, i.e. young families, older people and those caring for others.
- 2.16. The majority of the work of the Partnership is concerned with protecting the community through health and safety requirements in the regulations or in other sections of the Building Act.
- 2.17. 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. In addition, the Partnership deals with dangerous structures, demolitions, dilapidated buildings and contraventions of the Building Regulations. The CLG have programmed a consultation exercise on housing standards to determine if security and some other sections of the code for sustainable homes legislation ought to feature as a separate part of the building regulations.
- 2.18. We assist with a number of local agents and private sector housing sections to ensure adaptations comply with the Regulations to enable older and vulnerable people to stay in their homes and maintain their independence.

Links to STG Delivery Plan Reference:

Objective 1 Action 1.5, 1.6, 1.7 (see page 5 & 6)

Objective 2: Action 2.1 & 2.4 (see page 7)

Objective 3 Action 3.1 (see page 9)

Delivering quality services

Linked to Council Priorities:

- to transform the council into an economically sound organisation delivering excellent accessible services that provide value for money. – Gravesham
- Putting the customer at the centre of everything we do - Medway
- Giving value for money - Medway
- Open for business - Swale

2.19. Our customer survey revealed that the overall service provided by STG is of a very high standard with 97% of respondents rating it good to excellent. A further postal survey was carried which targeted owners of properties where works had been carried out.

2.20. Of the processes involved with delivering the service, communication and speed of delivery were seen as important by all customers in last years survey (81% to 100% rated this as important), it is therefore encouraging to see that 93% to 95% of customers feel they have received a Good to Excellent service in this.

2.21. The development of the new back office system will improve many elements of our customer service. Through 2015/16 we will be able to deliver a better service on site with access to real time information and through further developments of the system the ability to deliver inspection notes, notices and letters on site. Customers will be able to track the progress of applications online and carry out initial surveys on their properties through the web. We will be revisiting and revising guidance documentation for owners and developers to improve consistency on site and ensure communication throughout the life of the project is improved.

2.22. Local Authorities have a duty to ensure that building work complies with the 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:

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.

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 discovery of the contravention.

2.23. Most enforcement work is carried out by negotiation, and in 2009/10 the CLG asked authorities to demonstrate activity in this area. Prosecutions through the courts are an exception, but every day a number of the inspections carried out involve some form of intervention to either prevent or rectify work which was in contravention of the Regulations. We have worked with our software provider to design a way of capturing this information in the form of pre-contravention inspection reports and we will monitor this monthly to reflect the number of

inspections carried out that have protected consumers from building regulation contraventions during the course of their development.

2.24. As mentioned previously, consistency remains an important requirement identified by customers. We will be examining this area through the provision of training and shared experiences of staff and designers, the use of guidance notes and the use of comprehensive clauses, conditions and site notes.

Links to STG Delivery Plan Reference:

Objective 1 Action 1.2 – 1.5 – (see page 4 & 5)

Objective 2 Action 2.4 – (see page 7)

3. SERVICE RISKS

Risk rating key

Likelihood

- A. Very high
- B. High
- C. Significant
- D. Low
- E. Very low
- F. Almost impossible

Impact

- 1. Catastrophic (showstopper)
- 2. Critical
- 3. Marginal
- 4. Negligible

Host Directorate: RCC			Service: STG Building Control		Manager: Tony Van Veghel		Portfolio Holder: STG Joint Committee	
Risk Title: Finance and Strategy					Description of Risk: Reduced income			
Date	Risk No	Risk Rating	Vulnerability	Trigger	Consequences if Risk Realised	Mitigation/Action Points for Risk Owners	Service Plan Ref.	
10/09/14	01	C3	Increased competition resulting in loss of market share	65% of market share	Insufficient income to cover expenditure on chargeable account resulting in an increase on the followings year's chargeable rate which may make us uncompetitive.	Reduced expenditure to limit income deficiency. Look for alternative income streams through consultancy service.	1.1, 1.2, 1.3, 1.4, 1.5, 1.7, 2.2, 2.3, 2.4	
10/09/14	02	C3	Inability to sustain growth and acquire	Reduction in market share and	Inability to match income with expenditure resulting in	Invest in training and development of staff so as to	1, 1.1-7, 2.1, 2.4,	

Host Directorate: RCC			Service: STG Building Control		Manager: Tony Van Veghel		Portfolio Holder: STG Joint Committee	
Risk Title: Finance and Strategy					Description of Risk: Reduced income			
Date	Risk No	Risk Rating	Vulnerability	Trigger	Consequences if Risk Realised	Mitigation/Action Points for Risk Owners	Service Plan Ref.	
			additional business.	consultancy services income	increase in following year's chargeable rate. Surveyors chargeable time transfers to enforcement activity which would not be sustainable from the contributions. Consultancy losing income and not sustainable.	diversify resources into consultancy work. Increased time allocation monitoring.	3.1	
10/09/14	03	D3	Current economic situation leading to increased debt arising from unpaid invoices.	Increased number of applicants unable to pay invoices.	Number and value of debtors increased affecting the budgeted income figure. Unpaid invoice provision within budget would need to be increased.	Careful monitoring of debtors list. Vigorous pursuit of large debts. Files clearly marked where invoice remains unpaid so as site surveyor can pursue on inspection. Taking over the functions of invoicing and dept collection from the finance department.	1.5, 1.6	

Host Directorate: RCC			Service: STG Building Control		Manager: Tony Van Veghel		Portfolio Holder: STG Joint Committee	
Risk Title: Inadequate Staff Development					Description of Risk: Insufficient investment in staff			
Date	Risk No	Risk Rating	Vulnerability	Trigger	Consequences if Risk Realised	Mitigation/Action Points for Risk Owners	Service Plan Ref.	
10/09/14	04	D3	Failure to suitably develop staff to meet the needs of the business and match personal self improvement expectations.	The market is regularly changing to offer alternative services to clients which compliment building regulation work. The Partnership requires staff to be trained to deliver a more diverse service and remain competitive.	Insufficient skill base would result in customers being more attracted to the competition with a resultant loss in work.	Ensure staff are well trained and able to compete with the services offered by the private sector. Develop training matrix to ensure staff development through PDR process.	1.1-1.7, 2.1, 2.4, 3.1	