

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

**2 DECEMBER 2021**

## **SOUTH THAMES GATEWAY BUILDING CONTROL PARTNERSHIP – FOURTH TERM**

Report from: Janine Weaver, Director, South Thames Gateway Building Control Partnership

### Summary

The third term of the Partnership ends on 30 September 2022. Whilst it is a decision for each authority to continue into a fourth term, this report reflects some of the achievements of the Partnership over the past 5 years and provides a recommendation for Joint Committee to endorse continuing onto a fourth term.

#### 1. Budget and policy framework

1.1. The STG Building Control Partnership came into existence on 1 October 2007 bringing together the building control services of Gravesham, Medway, and Swale councils. On 1 April 2018 Canterbury City Council's building control service joined the Partnership. The Memorandum of Agreement which underpins the Partnership, and the Deed of Variation calls for the first term of the Partnership to last for 5 years after which time each authority would either agree to a second term or exit from the agreement by an agreed route.

#### 2. Introduction

2.1. The STG Building Control Partnership was formed by combining the building control services of Gravesham, Medway, and Swale in October 2007. The aim was to build in resilience to the service which was exposed to high levels of competition from the private sector for both work and resources. It was also formed to develop a larger critical mass which would be able to benefit from economies of scale, improve the service to customers and to develop the potential to deliver alternative income streams.

2.2. The Partnership was also seen as a vehicle for improving opportunities for staff development and training which was not always possible in smaller building control units. It was also envisaged that the Partnership would be able to deliver cost reductions to each authority by reducing overheads and negotiating service level agreements with service providers.

2.3. Through the advancements in technology and changes to processes and procedures, the proposition of other authorities joining the Partnership became much more viable. Canterbury City Council having seen the benefits STG could deliver and the advances it had made with its service delivery joined the Partnership in April 2018.

### 3. Director's comments

3.1. The Partnership has been operation now for 14 years and has demonstrated resilience, flexibility, adaptability, and economic success throughout this period. The market has changed dramatically over this time, in both suffering from and recovery from the financial crisis in 2008, approved inspector insurance issues 2019 and the coronavirus pandemic in 2020. There has also been an increase in the number of approved inspectors and the nature of the work that they compete for in the marketplace. The shift by the competition into the domestic market and changes in customer expectation through digital advancement have driven us to improve our systems and processes through digital transformation. Over this time there has also been legislative change in Government policy which has affected both the public and private sectors.

3.2. Having proven its resilience and flexibility during these last 14 years and operating successfully through the economic downturn, pandemic, and slow recovery the Partnership realised further potential through its adoption of a cloud-based IT system allowing improved performance, reduced operating costs and opportunities for further development.

3.3. It has introduced a third income stream to augment the building regulation and public protection services it provides by introducing and developing a consultancy to deliver complimentary services to the construction and housing industry.

#### Financial

3.4. During the first term, with the economic downturn and financial crisis of 2008, the Partnership saw its external income from applications fall by 11% but it was able to reduce its direct costs by 19% over the same period.

3.5. Since then, it has been able to deliver a balanced budget and has made small surpluses which have been re-invested into the new IT system and have paid for the relocation to new accommodation, therefore placing no additional costs on the partners.

3.6. The Partnership was able to reduce contributions throughout the second term from £391,678 in 2011/2012 to £278,076 in 2016/2017 providing a reduction of £113,602 over the period representing a 29% fall. The development of the consultancy throughout the second term saw income in this area rise by 34% to £151,000.

- 3.7. Through the third term, the coronavirus pandemic affected the Partnership's external income from applications which fell by 8% but was able to reduce its direct costs by 14% over the same period.
- 3.8. Since 2009/2010 the Partnership has reduced contributions from £432,276 to £267,115 in 2021/2022 providing a reduction of £165,161 over the period representing a fall of 38%. This is a decrease in the level of contribution payments of 14.6%.
- 3.9. The consultancy's reputation for delivery of an excellent service with projects on time has been achieved within the third term and was awarded fire risk assessments for blocks, continuation of decent homes surveys, condition surveys and energy assessments. This delivered an additional income stream of £375,715 from 2017/2018 to 2020/2021.

## IT

- 3.10. The investment in IT has been critical to the Partnership's journey to improve services and reduce costs. The move to an internet based back-office system has allowed for the development of a true mobile option for site inspections and for agile working from any base that has an internet connection. This was proved never more crucial as during the coronavirus pandemic.
- 3.11. All applications are now digitised by the Partnership's own scanning stations which are fully accessible on site or in any location with internet connectivity. Infrastructure is in place that allows plans to be checked online, with both enhancements allowing for an easier transition of any expansion in the Partnership.
- 3.12. The Partnership has delivered improvements for customers through the development of an online application submission portal and site inspection booking facility accessible through the Partnership's website. These developments not only delivered improvements for the customers but also saving the Partnership's processing times.
- 3.13. Investment in the Partnership's website enabled the development of a 'dropbox' facility for partner architects and larger developers to deposit plans and calculations in a secure area, thereby avoiding the issues of size restrictions encountered through email. This area of the website has proved extremely popular with 37 architects/developers utilising this functionality.

## Staff development

- 3.14. Staff development is an extremely important benefit that the Partnership can take advantage of because of the robustness of staffing resources. Individual training and development needs are identified at annual personal development reviews (PDR) and progress tracked through one-to-ones and PDR reviews. The construction industry is fast changing with new products and technologies being developed as are the regulations that prescribe the standards they must adhere to. The Partnership can support staff to maintain

continued professional development via in-house seminars which are also shared with partner architects and others. Surveyors are also encouraged to attend external courses, CPD events and webinars. The technical administration team members attend customer focused training sessions provided by Medway Council and others and all staff that benefit from training share this with colleagues at regular meetings.

- 3.15. There are regular technical, administration, IT and management meetings which are all used to drive forward a highly customer focused service. We also provide a duty officer arrangement throughout the day so that technical queries can be examined and answered whether they arrive by telephone, email, or personal call

#### Markets

- 3.16. Since 2008 approved inspectors have been expanding their operations outside of the commercial and industrial sectors and operating with increased numbers in the residential and domestic market. The Partnership has proved successful in maintaining a high proportion of market share throughout the third term which has ranged between 66% and 73% of the market. The number of partner companies has increased from 47 to 97 over this period with 77 regularly active.

#### Future development

- 3.17. The above demonstrates some of the achievements the Partnership has made over the first three terms but as an acknowledged innovative Partnership in delivering customer focused services we are now looking at future developments built on the successes so far. Within a fourth term the Partnership will be looking at further development of the back-office system and remote working so that surveyor's inspection reports are available in 'real time' and accessible to the customer through the Partnership's interactive website.
- 3.18. Training and evidencing competencies of the Partnership's surveyors to ensure they are licensed to work on the relevant category of development under the forthcoming changes to the Building Act 1984 and new Building Safety Bill.
- 3.19. Enhancing our offer through the consultancy to include a greater number of complimentary services both to win additional market share and increase income generation to mitigate any income pressures maintain contribution levels.
- 3.20. Our focus for the next five years will be around putting the customer at the heart of everything we do, driving up performance using technology and delivering a value for money service to all partner authorities

## 4. Options

- 4.1. Each authority has the option of agreeing a further term for the Partnership for a period of 5 years (or alternative time period as agreed) or to withdraw from the Partnership and return the service in-house following the exit arrangements detailed in the Memorandum of Agreement.
- 4.2. The Building Control function is a statutory duty under the Building Act 1984 and therefore whether through the Partnership or through individual in-house “services” each of the partner authorities would have to provide this function.
- 4.3. Option 1: To remain within the Partnership for a fourth term, build on the success outlined in this report and benefit from the economies of scale, direct cost savings, additional services and planned expenditure contained in the financial section of the Business Plan 2022/2025.
- 4.4. Option 2: One or more of the partners to withdraw from the Partnership and bring the service back in-house. There would be a number of significant cost and organisational considerations to consider if this option were taken.
- 4.5. If one authority left the Partnership, dependent on which one, support services would have to be realigned and if it were the host authority accommodation as well. For those remaining in the Partnership current accommodation would be excessive and an alternative would have to be found. Should Medway withdraw, Gravesham and Swale/Canterbury would be unconnected with problems of cross-boundary servicing. Whilst an in-house service may provide local control with some easier links with other on-site services, these have not been an issue over the last fourteen years. There would, however, be significant setup and running costs together with a number of other issues which may need to be considered as shown in Appendix 1.

## 5. Financial Implications

- 5.1. By continuing with the Partnership into a fourth term the four authorities would benefit from the reduced contributions allocated through the draft Business Plan and incorporated in the financial plan up to 2025. This has demonstrated significant savings for each authority as described and shown in paragraph 3.6. Should the service return in-house there are a number of significant undetermined costs attributable to the issues identified in Appendix 1.

## 6. Legal Implications

- 6.1. The building control service is at its core a statutory function that the Council has to provide. By continuing with the Partnership into a fourth term legal arrangements would be contained as they currently are, however, if any or all of the partners decide to exit the Partnership the legal implications would be required to be dealt with under a separate report.

## 7. Risk Management

- 7.1. There are a number of considerations should one or more of the partners decide to leave the Partnership and these are examined in the Options section of the report together with a number of other issues contained in Appendix 1.

## 8. Recommendation

- 8.1. Members are asked to recommend to Canterbury, Gravesham, Medway, and Swale Councils that the South Thames Gateway Building Control Partnership continues for a fourth term from 1 October 2022 and requests that the Director of the Partnership in consultation with the Officer Steering Group submit reports to the respective authorities.

## 9. Suggested reason for decision

- 9.1. The Partnership agreement is for a period of five years and any decision to extend this term requires the agreement of the four councils referred to in paragraph 8.1 above and the Joint Committee.

### Lead officer contact

Janine Weaver, Director, South Thames Gateway Building Control Partnership,  
Foord Annexe, Eastgate House, High Street, Rochester, ME1 1EW

Tel: 01634 331600

Email: [janine.weaver@stgbc.org.uk](mailto:janine.weaver@stgbc.org.uk)

### Appendices

Appendix 1 – Issues to be considered returning the service in-house

### Background papers

South Thames Gateway Building Control Business Plan 2022/2025