

Taunton Deane Borough Council

Report of the Building Control Manager to the Executive – 16 July 2008

(These recommendations are also being presented to the Executive Committee of Sedgemoor District Council)

Building Control Service – creating efficiencies and improving service delivery by sharing management and professional staff resources.

(This matter is the responsibility of Executive Councillor Simon Coles)

1 Executive Summary

The business case for providing Building Control services in partnership has been well made and is not repeated here (Helm Corporation report and presentation 9 June 2008).

Partnership proposals will be brought forward under the Pioneer Somerset programme as a strategic priority, but the implementation programme is such that it may be 12 months or more before detailed recommendations can be put to the respective Councils.

Strategic Directors are aware of the increasing commercial pressures on the Building Control Service, and have suggested that shared management may be a way of providing at least some of the benefits of partnership in the short term.

This paper proposes immediate customer and service improvements through shared management as an intermediate step towards a fully partnered service.

2 Background

- 2.1 A formal Building Control Partnership project has been set up under the control of Strategic Directors in Sedgemoor District Council, West Somerset District Council and Taunton Deane Borough Council.
- 2.2 A Project Initiation Document has been agreed, a Project Management Board set up and development of the project stages is in progress.
- 2.3 The viability of the business case has been investigated by business consultants The Helm Corporation and found to be compelling.

3 Current Position

- 3.1 The “shape” of the Partnership has resolved itself into a partnered service between Sedgemoor and Taunton Deane providing services under contract to West Somerset District Council, and proposals are being developed along these lines.
- 3.2 In the meantime, Strategic Directors have agreed to investigate the possibilities of joint management of the service in Sedgemoor and Taunton Deane as an interim step and a way of starting to bring together some of the customer benefits and service efficiencies that would result from Partnership working.

4 Objectives

- 4.1 Partnership working will provide a range of service and financial benefits, and these are set out in the Partnership Business Plan. Some of these benefits can be delivered through shared management, although those that have to do with single-service efficiencies, the reduction of duplication and rationalisation in service delivery are dependent on the formation of a legal Partnership.
- 4.2 Shared management can deliver useful savings and benefits, as follows:
- Deliver customer benefits through standardisation of fees and forms and the provision of consistent and high service levels over an enlarged operational area.
 - Deliver service improvements through work streaming, reciprocal assistance and greater staff flexibility.
 - Aid recruitment by providing improved training and development opportunities.
 - Gain competitive advantage by forming strategic partnerships with major developers in the enlarged service area.
 - Deliver service efficiencies by reducing management costs while maintaining operational strengths.
 - Provide a strategic management role to coordinate service delivery, market the service to strategic partners, maximise potential service improvements and efficiencies, and continue to steer both services towards full integration.
- 4.3 The chosen shared management model should be the one that best delivers the above objectives.

5 Existing Models

- 5.1 There are a range of joint working initiatives already in existence, from the County-wide Somerset Waste Partnership and Audit Partnership, to local agreements such as shared management of the “Green Surrounds” programmes in Taunton and Sedgemoor, and Development Control services provided by Sedgemoor to West Somerset.
- 5.2 There are a number of models for these sharing arrangements:
 - 5.2.1 **Services under contract.** Two or more authorities will agree a service level contract for one authority to provide specified professional or technical services to another. Usually charged on a time-spent basis, or may be a fixed fee or proportion of income.
 - 5.2.2 **Staff secondment.** A temporary staffing shortfall in one authority might be addressed by the secondment of suitable staff from another authority. Depending on the length of the secondment, payment might be by hourly, daily, weekly or monthly charge or apportionment of salary costs.
 - 5.2.3 **Staff sharing.** Authorities requiring specialist services but not being able to justify a full post agree to recruit and “share” an employee. Payment would be by simple apportionment of the gross salary costs with one authority agreeing to “host” the post.
 - 5.2.4 **Joint management.** While maintaining separate services, authorities may agree to share the services of a specialist manager, thereby reducing service management costs. Payment would be by simple apportionment of the gross salary costs with one authority agreeing to “host” the post.
 - 5.2.5 **Legal Partnership.** Authorities agree to merge a service and run it as a shared service, usually under the direction of a Joint Committee of elected members working through a management board.

6 Flexibility and Indemnity

- 6.1 To maximise the potential benefits of shared management staff flexibility, inter-authority and cross-boundary working are essential.
- 6.2 Because Building Control is an enforcement service that imposes liability in negligence on the responsible authorities, it will be necessary for each authority to indemnify the other against the actions / omissions etc. of its officers when working across District boundaries.

- 6.3 This is not in any way a novel requirement – all authorities already participate in the National Partner Authority Scheme, where an applicant can have plans validated by a Partner Authority for work that will take place in another authority's area, and have passed suitable indemnity resolutions.

7 Preferred Model

- 7.1 There are a number of factors to take into account in deciding on a joint management approach:
- The management role in each authority is not purely strategic, but has an operational element attached. This is particularly true in Sedgemoor District Council, where the Building Control management role has a 50% operational element. This is much reduced in Taunton Deane, where because of the way the work is divided the Building Control Manager role is more strategic, albeit still providing an operational back-up capability.
 - Both establishments are very “lean”, a fact highlighted in the Partnership Business Case, and cannot afford to lose any more operational capacity. Sedgemoor is currently without a manager, the two Principal officers backfilling temporarily, and Taunton Deane has lost 0.4 of a FTE due to one technical staff member electing to work part-time.
 - Any arrangements made to share a manager should take into account the loss of operational strength that would ensue if compensatory arrangements are not put in place.
- 7.2 For these reasons, the preferred option is a combination of **shared management, coupled with staff sharing and supported by formal indemnity agreements.**

8 Proposals

- 8.1 **Proposal 1.**
The existing Taunton Deane Building Control Manager, Brian Yates, will jointly manage the building control services of Sedgemoor and Taunton Deane for as long as he remains in Taunton Deane employment. In the event of his ceasing to be employed by Taunton Deane, the position to be filled from within the existing combined establishments and hosted by the employing authority of the new joint manager. The gross salary, benefits and other costs of employment will be equally shared by the host and non-host authorities.
- 8.2 **Proposal 2.**

Each authority will lose 0.5 of a technical FTE as a result of this and other circumstances. In a difficult recruitment market it is unlikely that suitable part-time staff can be recruited. It is therefore proposed that Sedgemoor and Taunton Deane jointly recruit a Building Control Surveyor and share the gross salary costs of this post, including benefits and expenses of employment (e.g. Essential User car allowance, training).

8.3 **Proposal 3.**

The following indemnity resolution to be passed by both authorities:
 "Each authority agrees to indemnify and keep indemnified each other, their officers, persons and bodies against all losses, damages, proceedings, costs and expenses whatsoever in respect of the shared working arrangements described in this document, and shall obtain the approval of its public liability insurer in respect of this undertaking"

9 **Financial Implications**

- 9.1 Although the Building Control Manager's post in Sedgemoor has not been evaluated, for the purposes of this exercise it must be assumed that the evaluated grade would not be less than the equivalent evaluated grade in Taunton Deane.

The gross salary cost to be shared by each authority is therefore as follows (figures shown are 2008/09 and include 3% cost of living rise):

Current gross salary cost, BC Manager (SCP48):	£53,000
Saving to each authority at 50%:	£26,500
Less: anticipated increase in evaluated salary resulting from proposals: (50% x (£57,400 - £53,000))(SCP 52)	<u>£ 2,200</u>
Saving	<u>£24,300</u>

Additional Surveyor at bottom of grade (SCP 32)
 (Taunton Deane scales used as marginally more attractive to recruitment)

Gross salary cost	£33,000
Cost to each authority	<u>£16,500</u>

Net saving to each authority	£7,800
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- 9.2 The proposals would present a net saving of £7,800 to each authority in year one.

- 9.3 **NOTE:** Because the major part of the service is required to be self-financing from fees, and because any surplus income is required to be ring-fenced to the service, impacts on the General Fund are minimal,

albeit the efficiencies are important in reducing service costs, maintaining competitiveness and preventing any burden falling on the General Fund.

10 Risk Assessment and Risk Register

10.1 See Appendix 1.

11 Recommendation

11.1 The Executive are asked to agree the proposals set out in paragraph 8 above: to share the services of a Building Control Manager; to share the services of an additional Building Control Surveyor; to equally share the salary, benefits and other costs of employment of both these posts; and to ratify the indemnity agreement.

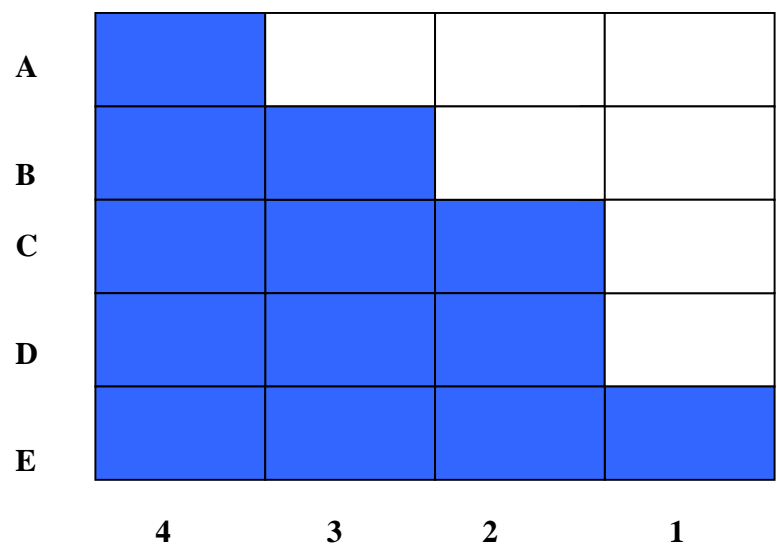
Contacts: Teresa Harvey
Tel. 0845 4082545
teresa.harvey@sedgemoor.gov.uk

Brendan Cleere
Tel. 01823 356350
b.cleere@tauntondeane.gov.uk

Appendix 1

Risk Assessment

Risk Profile



Key:

Likelihood
A Very high
B High
C Significant
D Low
E Very low

Impact
1 Catastrophic
2 Critical
3 Marginal
4 Negligible

Risk Register

Initiated: As Report date

Reviewed :

BCM: Building Control Manager

PMB: Project Management Board

PM : Project Manager

No	Description	Imp/Prob A-E; 1-4	Status +, -, n/c	Action / Strategy	Owner	Date added / Reviewed/ Completed
1	Loss of staff	C2		Normal recruitment process	BCM	
2	Loss of business	C2		Marketing / Strategic partnerships	BCM	
3	Loss of Manager	D3		Succession planning	BCM	
4	Legislative changes	E4		Not significant risk		
5	Failure of Partnership Proposals	C2		Reversion / Continuation	PMB	
6	Dissolution of Partnership	D2		Reversion / Conversion	PMB	
7	Contract to WSDC	C2		Contract renewal	BCM	
8	Enlargement to Somerset-wide	D2		New PID	PM	
9	Changes to constituent members	B3		New Agreement	PMB	
10						

