

TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE 24TH May 2005

FORMATION OF A BUILDING CONTROL PARTNERSHIP

(This matter is the responsibility of Executive Councillor Bishop)

Report of Building Control Manager

EXECUTIVE SUMMARY

Agreement is sought to the principle of providing the Building Control service in partnership with neighbour local authorities. Firm interest in participating in such an arrangement has been expressed by West Somerset District Council. Expressions of interest have also been received from Sedgemoor District Council.

The Executive is asked to formally endorse a Memorandum of Understanding to establish a Building Control Partnership in Somerset, and to authorise the appropriate officers to progress the work required to set up a partnership.

The partnership is sought for reasons of service improvement and increased efficiency.

1 Purpose of Report

- 1.1 To seek "in principle" support from Councillors to work with other local authorities to develop a Partnership for the Building Control service.

2 Background information

- 2.1 The core Building Regulations activity is provided in competition with private Approved Inspectors, and is required to be self-financing through fee income (The Building (Local Authority Charges) Regulations 1998). This activity accounts for approximately 80% of the Building Control Section's work. The remaining 20% is funded by the Council and comprises various enforcement and public safety duties prescribed by the Building Act 1984. The Building Control team also provides specialist surveying and access advice to other departments. The Statutory and "added value" services are provided economically on the back of a successful fee-earning service.
- 2.2 As a result of the 2004 Spending Review local authorities are charged with making efficiency savings, and the Gershon Review of Public Sector Efficiency proposes improved staff productivity and the sharing of "back office" functions as a means of securing efficiencies, along with reviewing the way services are procured and the establishment of strategic partnerships in service delivery.

- 2.3 The challenge in Building Control is to promote and grow the service in the face of commercial competition while achieving efficiencies through productivity and innovation in service delivery.

3 Motivation for Change

3.1 STAFFING

- 3.1.1 Loss of staff to private Approved Inspectors, coupled with a resurgent construction industry and increased demand for Surveyors, has made recruitment to the local authority service extremely difficult for a number of years. There is estimated to be a national shortfall of 30% in qualified Building Control Surveyors. The maintenance of acceptable levels of service is not possible if establishments are incomplete.

3.2 LOSS OF BUSINESS

- 3.2.1 Approved Inspectors have marketed their services aggressively since their introduction in 1999, and now account for 4% of all contracts in the Taunton Deane area. Since Approved Inspectors “cherry pick” their clients, the business which has been lost has been taken exclusively from the profitable commercial and industrial market segments – the top 20% in terms of profitability. The true impact of Approved Inspectors is therefore the loss of 25% of the most profitable contracts awarded in the TDBC area.
- 3.2.2 The effect of loss of business volume is diminished profitability. If fees have to be raised to maintain the break-even trading position there is the danger of further loss of business volume and the creation of a downward spiral.

3.3 THE VALUE OF AN IN-HOUSE SERVICE

- 3.3.1 Enforcement of Building Regulations is a local authority duty. The Council is also the “inspector of last resort”. These and other Building Act public safety duties make it necessary for the Council to maintain a Building Control capability. It is very difficult to recruit professional staff to small, narrowly focussed services. Training and support service costs become disproportionately large.
- 3.3.2 The existence of a healthy fee-earning service, offering career progression and a broad range of experience to professionally qualified staff, enables the Statutory duties to be provided economically. The Council also benefits from the creation of an expert resource enabling “added-value” services to be provided, notably Access advice, fire risk assessments and advice on entertainment licensed premises.
- 3.3.3 Diminution or effective loss of the service would also leave the Council with residual costs to absorb, while services available to the public would be fewer or more expensive to source.

4 Benefits of Partnering

4.1 SERVICE IMPROVEMENT

- 4.1.1 Greater customer convenience through standard forms and fees. Improved customer access to the service through any office within the partnership area. More consistent interpretation of requirements. The establishment of a uniform level of service.

4.2 STAFF RECRUITMENT

- 4.2.1 The current national shortage of qualified personnel will be worsened in 2007 when Home Condition Reports become part of the house-selling requirement, creating new job opportunities for qualified Surveyors. A larger Section offering a progressive structure, wider task diversity and greater opportunity for specialisation will be more attractive to recruits.

4.3 STRENGTH IN DEPTH

- 4.3.1 Larger establishments are more able to absorb peaks in workflow and provide cover in times of staff absence or shortage. The ability to provide specialist areas of expertise is also enhanced.

4.4 STAFF TRAINING AND DEVELOPMENT

- 4.4.1 The long term solution to the personnel shortage is the creation of trainee posts. An adequate core of qualified staff and suitable training budgets are required to support trainees through the extensive and expensive training to post-graduate standard which is required. The increasing rate of change and addition to the Building Regulations makes normal continuing professional development very demanding on training resources. Pooled budgets within a partnership would create a more significant resource and the larger establishment would facilitate the absorption of trainees.

4.5 REDUCED DUPLICATION

- 4.5.1 Rationalisation of “bought-in” services, single subscriptions to professional associations, a common E-government approach, more effective use of support services, all point to improved efficiency in service delivery.

4.6 STRUCTURAL EFFICIENCY

- 4.6.1 Slimmed-down management releasing resources to the “front line”. More effective use of new technology to develop flexible working methods and improve productivity – remote working, home working. More efficient service provision and staff utilisation without artificial “boundary” restrictions. Economies of scale.

4.7 BUSINESS DEVELOPMENT

- 4.7.1 A larger customer base would provide greater business stability, while a larger establishment would allow further marketing and the development of existing successful initiatives – local “partnerships” with major customers (market retention); active service marketing (market

growth); the promotion of the Service through training events for local businesses.

5 The Partnership Proposal

- 5.1 West Somerset District Council have agreed to the principle of a jointly commissioned Building Control Service. Sedgemoor District Council wish to be involved in discussions short of a positive commitment at this stage. South Somerset and Mendip District Councils have expressed interest in a future arrangement.
- 5.2 The current proposal is therefore to jointly commission the Building Control Service with West Somerset District Council, on the understanding that other authorities may wish to join the arrangement either during the formation process or at a later date.
- 5.3 The initial objectives of the Partnership would be:
- (a) to continue to provide an effective Building Control service which encompasses a full range of “added value” services;
 - (b) to improve customer convenience and access to the service;
 - (c) to improve the service within existing resources through the more efficient use of those resources;
 - (d) to obtain efficiencies in service delivery through rationalisation and increased productivity through innovation;
 - (e) to develop the service through marketing and promotion;
 - (f) in the longer term, to secure overall efficiencies in service provision for the benefit of the Partner authorities.

6 Recommendation

- 6.1 The Executive is requested:
- (1) to agree in principle to the partnering of the Building Control Service, initially with West Somerset District Council but allowing for the inclusion of other authorities expressing an interest;
 - (2) to authorise the progress of work necessary to the setting-up of a partnership arrangement, and
 - (3) to endorse the Memorandum of Understanding attached at Appendix 1.

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APPENDIX 1

The following Memorandum of Understanding comes from West Somerset District Council, and has been forwarded for approval by Andrew Jeffery, the Director charged with “championing” the Partnership initiative.

Somerset Building Control Partnership

Memorandum of Understanding

A. Introduction

The District Councils in Somerset all provide a building control and ancillary services to their respective communities under the provisions of the Building Act 1984.

The District Councils wish to provide the most efficient and effective building control service to their communities and believe that a key way in which this can be achieved is through working in partnership with each other.

The purpose of this memorandum is to formally recognise the commitment to work closely with each other to deliver our common objectives to our respective communities.

B. Objectives

To put in place a mechanism for the District Councils to work in partnership to undertake the building control service in our communities. The mechanism will include provision for achieving these objectives:

- Creating a joint approach to identifying the quality and standards of service
- Creating a joint approach to the training and development of those delivering the service
- Providing mutual assistance to each other in delivering the service
- Implementing joint service delivery where it benefits the District Council and the community it serves
- Providing a single point of contact for the service in Somerset (for example in Government consultation)
- The sharing of resources and assets
- The sharing of best practice and information
- Etc

C. Delivering the Objectives

A joint group of officer representatives from each of the District Councils will champion the partnership and provide strategic leadership through a Steering Group.

As the partnership proceeds and the objectives become realisable, the respective District Councils will need to receive reports from and consider any recommendations from the Steering Group.

An initial function of the steering group will be to create a project plan with a realistic timetable to achieve the objectives of the partnership.

D. Agreement

This Memorandum of Understanding has been agreed by the District Councils set out below as providing a basis for developing more effective and efficient building control services in the County of Somerset.

We commit to pursuing the aims and objectives as set out in this memorandum.