



## Partnership Delivery Group

16 October 2018

### Building Control Agreement with South Kesteven District Council

## Report of the Executive Manager – Communities

### 1. Purpose of report

- 1.1. This item will provide Members with an opportunity to review the performance of the Building Control partnership with South Kesteven who deliver Rushcliffe Borough Councils and Newark District Councils Building Control services through the East Midlands Building Consultancy.
- 1.2. An overview of the Building Control Service will be provided at the meeting as well as a presentation from Rob Howbrook (Lead professional and Interim Building Control Manager) on the partnership and performance to date including an outline of future plans and initiatives.

### 2. Recommendation

It is RECOMMENDED that Members consider and make comments on the performance and effectiveness of the partnership with South Kesteven to deliver the Building Control Function on behalf of Rushcliffe Borough Council.

### 3. Reasons for Recommendation

- 3.1. During 2013/14 proposals were considered for the creation of a partnership with South Kesteven District Council (SKDC) for the provision of a shared Building Control.
- 3.2. The benefits of developing a partnership with SKDC were identified as the provision of a single Building Control service which would deliver the following advantages:
  - Reduced costs through economies of scale.
  - A consistent level of service delivery to improve customer satisfaction.
  - A more attractive prospect for recruitment and retention of professional staff, and areas of expertise and excellence can be shared.
  - Improved ability of the service to compete with 'Approved Inspectors'; over a larger geographical area.
  - Enhanced flexibility of the service to cope with future pressures better.

- Opportunity of extending the shared service across the East Midlands as opportunities arise.
- 3.3. At a meeting of the Cabinet on 11 March 2014 it was resolved to accept South Kesteven District Council (SKDC) being the lead authority for the delivery of Building Control services for the joint authorities in partnership with Rushcliffe Borough Council (RBC). It was also resolved to delegate authority to the Executive Manager – Communities in consultation with the then Portfolio Holder for Sustainability to enter into the legal Agreement setting out the terms of the partnership shared service with SKDC prior to the commencement of the partnership arrangement on 1 April 2014.
- 3.4. The transfer of existing RBC staff was completed in June 2014 completing the process to establish the partnership. The partnership operates under the name of East Midlands Building Consultancy.
- 3.5. Since the partnership was established, it has been expanded to include the delivery of the building control service for Newark and Sherwood District Council and the partnership is also undertaking cross boundary work (plan checking and inspections) for Rutland County Council.

#### **4. Supporting Information**

- 4.1. The Strategic Business Plan for the partnership identifies three key objectives, which were to:
- Operate the service as a commercial business / trading unit / new delivery model;
  - Build a unified team and maximise use of resources; and
  - Grow greater market share and increase income including offering additional discretionary services
- 4.2. The report considered by Cabinet in April 2014 identified a number of advantages to the establishment of a partnership to deliver the Building Control Service. Of particular importance was a need to reduce the cost of delivery of the service, which due to the downturn in the construction industry at the time and competition from approved Building Control inspectors, had struggled to keep within budget resulting in a charge to the general fund. In the 2013/14 financial year, the final year that the service was delivered in-house, the cost of the service was circa £375k against a budget of around £258k.
- 4.3. Since the partnership was established, the cost to RBC of delivering the service through the partnership has fluctuated due to a number of factors, including activity in the building industry and income to the partnership, but this has been significantly lower than the cost of delivering the service in-house. For the current financial year, the budget for Rushcliffe's contribution

to the partnership is £80k. Therefore, the delivery of the service through the partnership has proved to be more cost effective. Overall, the partnership has performed financially above target over the 2017/18 financial year and consequently has made a considerable reduction in the deficit of each of the partner authorities, as well as reducing the overall cost of service to each council's general fund.

- 4.4. The Local Authority Building Control services have to compete for business with approved inspectors (private sector providers). However, the partnership is able to deliver a high quality building control service and continues to regain market share from private competition. In addition, the Partnership has strengthened its relationships with local businesses, working alongside professional organisations such as the Chartered Institute of Building to facilitate successful local networking events, illustrating the benefits of working collaboratively and is a model that the Local Authority Building Control professional membership organisation encourages other authorities to adopt.
- 4.5. The partnership has proved to be attractive as an employer and the last recruitment exercise to fill a vacant post attracted 40 applications. In addition, a career pathway has been developed for a new trainee and the partnership has recruited an apprentice, assisting with succession planning and again making the partnership an attractive employer.
- 4.6. In terms of performance, the partnership is performing well and the majority of the performance indicators are above target. Appendix A to this report sets out the performance achieved against targets for the last two financial years. The only indicators not achieving target in the last financial year were:
  - BC06 – Building Control Partnership percentage of Full Plan applications determined within 8 weeks,
  - BC08 – Percentage of telephone calls answered in working hours – Building Control
  - BC10 – Building Control Partnership percentage of Full Plan, Building Notice, Regularisation application numbers against Initial Notice application numbers.

The latter of these indicators records the market share of the partnership against applications dealt with by approved inspectors. In this area the partnership is making a concerted effort to increase month by month. Furthermore, the use of the partnership is promoted by the Rushcliffe planning officers through discussions with applicants/developers and use of promotional information on emails where appropriate.

- 4.7. Overall it is considered that the partnership is performing well and represents good value for money for the Council and its residents, having realised significant budget savings in delivery of the Building Control Service.

## **5. Alternative options considered and reasons for rejection**

5.1. None.

## **6. Risks and Uncertainties**

6.1. The report to Cabinet in March 2014 identified a number of risks in establishing and for the ongoing operation of the partnership. In terms of ongoing risks to the partnership, these are set out below:

### **Category Risk**

### **Action / Controls**

Partnership operates at loss as income falls below target

Accounts kept under review by Board. Business case is based on a realistic income forecasting. Increase income from higher fees.

Insufficient allowance made for running costs

Current estimate is based on existing budgets and the Manager's experience. Monthly budget monitoring and reports.

6.2. In addition to those risks identified above, an initial risk was identified in setting up the partnership regarding the failure to recruit a new Building Control Business Manager. The mitigation to this risk was to run the partnership before the former Building Control Manager retired and to have an alternative management plan in place in the event that a new manager could not be recruited. A manager was successfully recruited but subsequently chose to leave (July 2017) to join another partnership. The decision was taken not to recruit at that stage, as the skills profile of the replacement would to a certain extent depend on the strategy for future expansion of the partnership and the delivery model chosen following the period of consolidation. The two lead surveyors agreed to act up and pick up the additional duties between them and this has been working successfully. This is also a good development opportunity for both members of staff.

## **7. Implications**

### **7.1. Financial Implications**

7.1.1. None

### **7.2. Legal Implications**

7.2.1. By section 101 of the Local Government Act 1972, a local authority is permitted to discharge the functions of another local authority. This

legislation also permits two local authorities to discharge their functions jointly.

7.2.2. It is noted that the current partnership arrangement between Rushcliffe Borough Council and South Kesteven Borough Council represents one such arrangement for the discharge of a function of the Council.

7.2.3. The constitution of Rushcliffe Borough Council specifies that the review and scrutiny of decisions made and actions taken in connection with the discharge of any of the Council's functions falls within the general role of the various scrutiny groups within their specified terms of reference

### 7.3. **Equalities Implications**

7.3.1. None.

### 7.4. **Section 17 of the Crime and Disorder Act 1998 Implications**

7.4.1. None.

### 7.5. **Other implications**

7.5.1. None.

## 8. **Link to Corporate Priorities**

8.1. **Delivering economic growth to ensure a sustainable, prosperous and thriving local economy** – the Building Control function forms part of the regulatory framework for the delivery of sustainable development and economic growth within the Borough.

8.2. **Maintaining and enhancing our residents' quality of life** – the Building Control function ensures that buildings constructed, adapted or extended within the Borough are safe to occupy and compliant with the regulations.

8.3. **Transforming the Council to enable the delivery of efficient high quality services** – The establishment of the partnership is a key example of how the Council has transformed a number of services as part of delivering its Transformation Plan. The partnership is able to deliver a high quality building control service and continues to regain market share from private competition.

## 9. **Recommendations**

It is RECOMMENDED that Members consider and make comments on the performance and effectiveness of the partnership with South Kesteven to deliver the Building Control Function on behalf of Rushcliffe Borough Council.

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<b>Background papers available for Inspection:</b>	Report to Cabinet 11 March 2014 'Building Control Partnership with South Kesteven District Council'
<b>List of appendices (if any):</b>	<b>Appendix A</b> – Performance Indicators for East Midlands Building Consultancy

## Appendix A

### Performance Indicators for East Midlands Building Consultancy

PI No.	PI/Qualitative Measure	Target	2016/17	2017/18	Cumulative/ Average Monthly Score etc
BC01	Building Control Partnership % valid applications acknowledged in 1 day	90%	96%	94%	Cumulative
BC02	Building Control Partnership % valid applications acknowledged in 5 days	100%	100%	100%	Cumulative
BC03	Building Control Partnership % of valid applications checked in 5 days	95%	95%	99%	Cumulative
BC04	Building Control Partnership % of valid applications checked in 15 days	100%	99%	100%	Cumulative
BC05	Building Control Partnership % Full Plan applications determined within 5 weeks	70%	87%	81%	Cumulative
BC06	Building Control Partnership % Full Plan applications determined within 8 weeks	100%	92%	89%	Cumulative
BC07	Building Control Partnership % of response to site inspection requests within 24 hours	95%	98%	99%	Cumulative
BC08	% Telephone calls answered in working hours – Building Control	95%	98%	93%	Cumulative
BC10	Building Control Partnership % of Full Plan, Building Notice, Regularisation application numbers against Initial Notice application numbers	65%	54%	60%	Cumulative