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## CENTRAL BUILDING CONTROL PARTNERSHIP

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# Partnership Board Report 2

(Period April 2019 - March 2020)

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**Central Building Control Partnership**  
**Lichfield District Council**  
**District Council House,**  
**Frog Lane**  
**Lichfield WS13 6YZ**

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South  
Staffordshire  
Council

Tamworth  
Borough Council



North Warwickshire  
Borough Council



South  
Derbyshire  
District Council

Nuneaton  
&  
Bedworth  
United to Achieve

## Introduction

### The Shared Service

#### Working in partnership

#### Central Building Control Partnership

The main objectives of the shared service remain as:

- Reduce costs through economies of scale.
- Provide a consistent level of service delivery with high levels of customer satisfaction and compliance with building standards;
- Retention of professional staff;
- Continually Improve and promote the service in a competitive environment;
- Enhance the flexibility of the service to cope with future pressures and manage risk;
- Provide the opportunity for developing the shared service as opportunities arise.

#### Partnership Board Report 2

#### Purposes of this report

The main purposes of this report are to:

- Provide a review of the performance for year 1 of the partnership.
- Provide conclusions and recommendations

Key performance indicators at end Year 1 (2019/20)

	Target	Actual	Notes
<b>Fee Income</b>	£901,270	£986,066	On target. Fee income received at N&BBC – June, July August -still to be verified and transferred to LDC. £84,796 greater income than forecast.
<b>Number of applications</b>	2,567	2,515	On target
<b>Decisions within 8 weeks</b>	100%	100%	On target
<b>Plans checked within 10 days</b>	60%	60.5%	On target
<b>Market share</b>	Monitored - no target set	58%	Small increase in market share.
<b>Inspections carried out when requested</b>	95%	99%	On target (Allowing for Covid-19 response)
<b>Dangerous structures response within 2 hours</b>	100%	100%	On target We have 2 people on call across the areas 24/7

## 2.1 Operational Performance

### Quality.

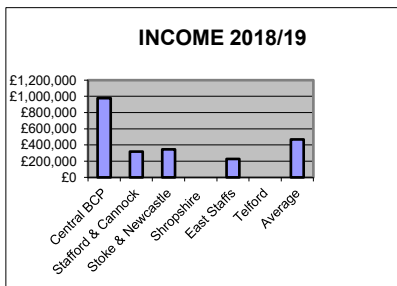
- The partnership has been awarded ISO 9001 Quality Management accreditation. This is an external accreditation that demonstrates we provide a consistent quality of service.
- An internal audit carried out by Lichfield District Council has assessed the partnership as providing ‘Substantial Assurance’.
- The partnership and its professional staff are required to demonstrate quality and competency. This follows recommendations following the Grenfell Tower tragedy.
- All staff have demonstrated their individual competence. Management staff have undertaken an external national assessment. Other staff have been assessed in a management competency review using the partnership’s new competency assessment framework.

### Performance Management

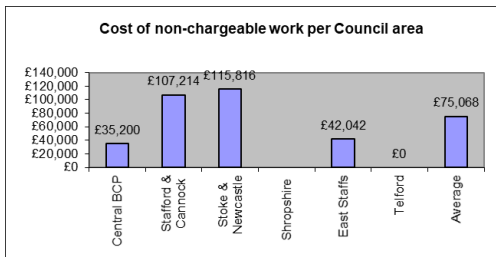
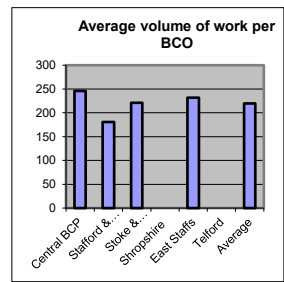
- Performance is reported monthly to the Steering Group. The Steering Group meets quarterly to review performance and monitor progress.

# Performance Benchmarking

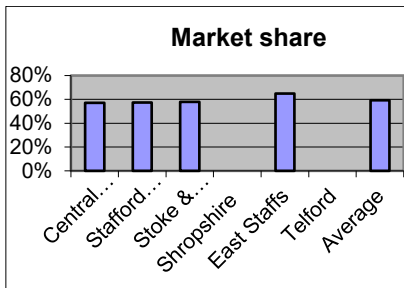
- Benchmarking is carried out annually across Staffordshire & Shropshire. Other Councils in Derbyshire and Warwickshire have recently been invited to take part in the benchmarking and we are awaiting their response on that. Not all councils have completed their returns yet.
- As the partnership wasn't in existence last year, the value of the benchmarking is limited but it is useful to compare the first 6 months with the latest benchmarking figures. Therefore, performance to date has been extrapolated and compared against last years benchmarking:
- Performance will show that good quality services are provided at low net cost to the councils. Further work is required to speed up plan checking.



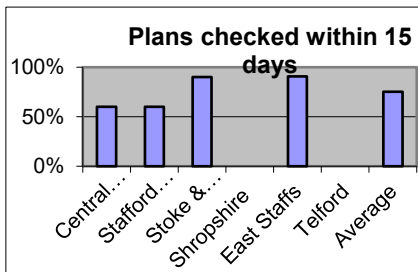
Central Building Control Partnership has the highest income and staff deal with the highest volume of work.



The partnership councils have the lowest non-chargeable costs. This is the cost to the taxpayer and funded directly from council revenue.

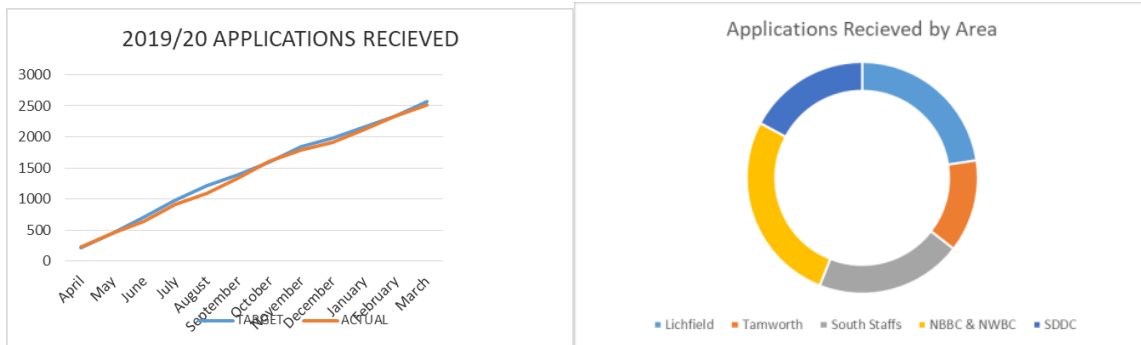


The partnership has a market share similar to other councils.



Plan checking turnaround meets statutory targets but is not fast enough to satisfy all customer's demands.

## Workload 2019/20



- The number of applications received is on target.
- Plan Checking turnaround is on target and we want to improve on that.
- NBBC & NWBC figures are combined because we have taken information from 1<sup>st</sup> October off the existing IT system at NBBC.

## Speed of service

- The number of applications checked within 10 working days is reported as customers need feedback on their applications as fast as possible. The target is 60%. This period 60.5% have been checked on time.
- Therefore, the speed of the plan checking service is slower than we want for customers and this will be the focus of performance over the next period.
- The average speed is well on target. But we need to manage increased volume and low staffing at peak times. This fluctuation is difficult to predict and manage efficiently. We have employed a new performance management system to assist with this.
- We have sufficient number of staff resources but 3 of the staff are not yet competent to carry out Plan Checking
- Applications must be determined within 8 weeks. **100%** have been decided on time.

## Business transformation

- The business transformation to consolidate resources and processes is being delivered and the customer journey is greatly improved as we now have a single system for all 6 councils.
- The service has been publically launched.
- New website.is live.
- We have a fully agile workforce.

### Further work is required to:

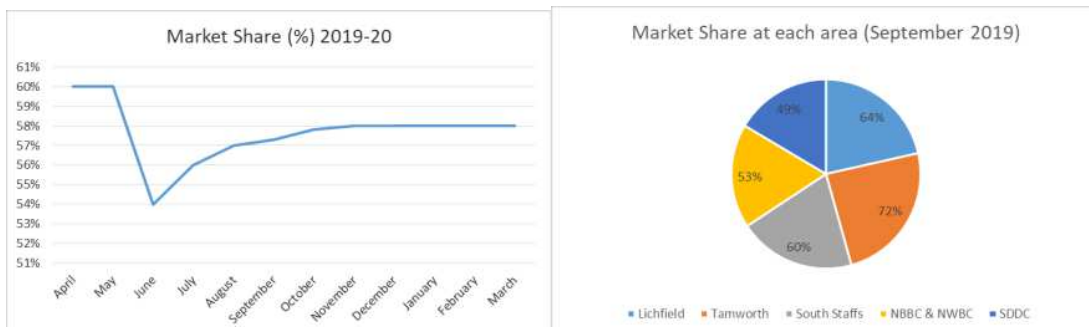
- Implement the BC Inspection app.
- Implement the IDOX Document management system
- Public access to the building control register
- Printing solution at all councils.

## Site inspection service

- Inspections are the most important part of the service. This is the main challenge and a key service delivery issue. All operations are focused on maintaining the level of inspection on a daily basis.
- Until very recently inspections were registered on different data bases we don't have data for all areas prior to September. In many cases Inspection records are held on file, rather than electronically.
- Now that there is a single Building Control register all data will be available for analysis moving forward.

## Marketing

- Market share is currently 58%. Previous benchmarking shows the average market share across councils in Staffs and Shropshire being 59%. Market share is not evenly spread across the districts
- Average market share across the 6 districts is showing slow growth which is positive.
- The marketing plan needs to be developed.



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## 2.2 Financial performance

### This report covers Year 1 (2019/20.)

The top two financial objectives are:

1. Deliver chargeable services at zero net cost (full cost recovery).
2. Deliver the non-chargeable services at £35,200 per Council.

### Financial Summary

- The final verified CBCP end of year results for 2019/20 will show that all chargeable costs were delivered at net zero cost (full cost recovery).
- Prior to accrual of advanced fees to Year 2 the CBCP partnership account shows a surplus of £164K
- The accrual to 2020/21 for advanced fees is £170K
- The CBCP reserve stands at £135K
- Therefore, a small (£6K) transfer may be required from the CBCP earmarked reserve. This will be confirmed at the end of the financial year.
- The CBCP is still awaiting transfer of the fees received in August 2019 at Nuneaton & Bedworth BC. Expected to be around £31K exc vat.

### Income



- All financial objectives have been achieved.
- All fee income shown in this report has been collected but income received at NBBC is in the process of being reconciled and transferred to Lichfield DC. This is in hand with NBBC Finance team who have provided us with unverified data, and they are working on this and keeping us up to date with progress.
- Fee income figures do not include the existing BC financial reserve at £135K, or the £74K paid by the new partners for work that had not been carried out at the time of transfer.

## Accruals to Year 2 (2020/21)

- The service needs to develop accounting methodology on an accrual basis. This will be an important factor moving forward.
- This means that income received in advance for work still to be carried out must be transferred to the following year, where the expenditure will take place.
- The following table identifies the advanced fees received. We need for accounting purposes to use a ratio to estimate the real level of fee income to be transferred.
- For projects not started this is 0.5. For projects that have started this is 0.1 With an allowance for local knowledge such as a significant housing site that has been submitted and paid for but not yet started.
- This table shows that £170,302 will be transferred from 2019/20 to 2020/21

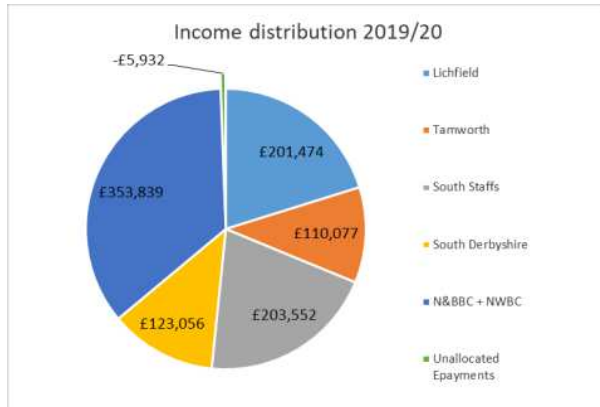
Building Control - Advanced fees to be carried over to 2020-21.					
Application type	description of carry over fee.	MS Access report results. 2017-20	Apply Estimate of carry over ratio	£ Sum to be carried over	Notes
Building Notice	Fees paid & work NOT commenced	£47,117	0.5	£23,559	Full liability up to 3 years. Assume half the projects will not commence during 2020-21.
Building Notice	Fees paid work not completed	£364,435	0.1	£36,444	Work still to be carried out. Allow 10%
Full Plans	ALL Fees paid & Work Not Commenced.	£23,349	0.5	£11,675	Full liability up to 3 years. Assume half the projects will not commence during 2020-21.
Full Plans	Inspection fee paid work not completed.	£744,249	0.1	£74,425	Work still to be carried out. Allow 10%. Includes 2 large housing sites just commenced.
Full plans	Plan fee paid not checked.	£24,201	1	£24,201	Work carried out in 2020-21.
				<b>£170,302</b>	<b>Total carry over</b>

## Non-Chargeable costs

- There are no plans to increase the non-chargeable costs to Councils.
- This will remain at £35,200 per Council



## Income distribution by area.



- Income distribution is as we expected.

## Non chargeable activity 2019/20.

- The data transfer was completed in September and therefore we don't yet have the full analysis of the work volumes relating to non-chargeable activity. This activity is set out in the table below.
- It was agreed in the partnership to deliver this service at a cost of £35,200 per council for three years to enable the Partnership to gather sufficient data before moving to unit costs. Therefore, the costs to each Council will remain at £35,200.
- The work volumes are generally as we expected and will be confirmed as the information become available.

<b>Non Chargeable activity</b>
• Building work exempt from payment.
• Administering AI Regulations
• Recording AI Notices
• Dangerous structures.
• OOH DS 24/7
• Dealing with the demolition of buildings
• Provision of information on housing
• Recording Notices from Competent Person Schemes
• Enforcement of Building Regulations.
• Investigations into unauthorised work
• General advice to the public.
• Management & Administration of the Building Act 1984.
• Management, Corporate policies/Corporate PM, Corporate Plan, etc.

## Local Authority owned Trading Company (LATC)

- The partnership developed from work aimed at exploring the opportunity to create an LATC. The partnership would use its strong market position to provide additional and associated professional services and generate a profit.
- This would improve the customer journey by providing a one-stop-shop. It would help to educate and enhance the local construction industry.
- Profit would be used to offset the costs of providing the non-chargeable work and make the service fully financially sustainable on a zero net cost basis.
- A draft business case for discussion has been sent to the steering group for consideration.

## Risk analysis

### Partnership risk register

Risk	Risk Level	Risk Action	Countermeasure
The Shared Service runs at a loss	Medium	Treat	Create a robust financially assessed business plan. Ensure targets are achievable. Flexible staffing arrangements where possible. Fee review.
Failure to deliver services due to a lack of available resources such as staffing.	Medium	Treat	We have introduced a career graded post, we have three staff at University, one funded through the apprenticeship levy, and we are growing our own staff. However, based on our recent recruitment experience we are unlikely to retain staff. Therefore, we will continue to invest in new staff and explore all opportunities to increase retention.  We have an advert out at this time for a Building Control Officer post. This new post is career graded and links to the competency levels in the new competency framework, this in turn links to national competency levels
Residual costs.	Low	Treat	Council's providing support services are at risk of residual costs should the support service not be required in the future. Ensure that any agreement for future delivery of the service provides for the Host Authority and those Councils providing support services to be selected.
Building safety Regulator	medium	treat	Government's proposal for a Building Safety Regulator is not yet known and this may be an opportunity
Key individuals leave the organisation:	High	treat	Prepare contingency plans

## **Conclusions**

- The partnership is delivering on all its objectives.
  - The partnership performs well but is in business transformation stage and further improvement to plan checking is required.
  - The service remains viable and financially sustainable..
  - Market share is being monitored carefully but is not an accurate indicator of performance.
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## **Recommendations**

- Continue with the business transformation
- Advanced fees to be transferred to year 2 (2020/21) = £170,302.
- Amount from earmarked reserve to be transferred to the 2019/20 budget to be in the region of £6,000, figure to be verified at close of accounts by Finance team.
- Develop further agile working.
- Review the draft business case for an LATC and decide whether to proceed further with that option.
- Develop a public access version of the building control register.
- Develop the EDMs for building control
- Develop the building control inspection module to assist remote working.

