

## **DELIVERY OF ROCHFORD DISTRICT COUNCIL'S BUILDING CONTROL SERVICE**

### **1 PURPOSE OF REPORT**

- 1.1 To give an update on the progress of the implementation of a structure for Rochford District Council's building control service, following the report on 14 March 2017, which identified the need for an in house building control service to be fully resourced, in light of the decision by local authorities in Essex not to pursue any form of shared building control service.

### **2 INTRODUCTION**

- 2.1 Local authorities have a statutory duty to provide a building control service under the Building Act 1984 and Building Regulations 2010, which is non-delegable.
- 2.2 The Building Act 1984 places a statutory duty on local authorities to enforce the requirements of the Building Act 1984 and the Building Regulations within their locality. The purpose of the Building Regulations is to protect people in or around buildings by ensuring that minimum standards of health, safety, welfare, convenience, energy efficiency and sustainability are met and to maintain environmental standards.
- 2.3 The Council's building control work consists of two elements: fee earning and non fee earning work. This is administered in accordance with the Building (Local Authority Charges) Regulations 2010 and the advice given in the Chartered Institute for Public Finance and Accountancy (CIPFA) which place accounting requirements that the fee earning element must be self-financing. The non-fee earning part is directly funded by the local authority and includes functions such as dangerous structures, enforcement of the functional requirements of the building regulations and the control of demolitions.
- 2.4 The Council has updated the staffing structure of its building control service and is actively recruiting to ensure delivery of these functions, but has only been partially successful due to salaries being below market rates. Recruitment advice sought indicates that a retention and recruitment package would be needed to fill the roles.
- 2.5 It is the intention to stabilise the service and deliver it in accordance with the building control performance standards, so that it can compete in the market and maintain and increase market share. Further opportunities to develop the service will be explored, including maximising its revenue earning potential.

### **3 DELIVERING A MARKET LEADING BUILDING CONTROL FUNCTION**

- 3.1 Local authority building control services are in a unique position amongst local authority services, in that chargeable work is in direct competition with private sector Approved Inspectors (AIs). Local authorities are required to

publish a schedule of fees, but the private sector are not; this means that in some areas of building control work (commercial and large volume housing) opportunities to price for work has become more limited. Local authorities actively market the building control services through their umbrella organisation Local Authority Building Control (LABC), which also trades by offering other consultancy services, including building warranties. Local authorities benefit by having their profile raised nationally so that they can compete for work from larger firms and offer a nationwide service through the LABC partnership service.

3.2 The Council's building control function can be split into three main areas. These are:-

- (i) To guide and advise industry on how to meet the functional requirements of the building regulations, based on meeting performance standards. This is achieved by the checking of plans, issuing decision notices within statutory time limits and by checking building work on site.
- (ii) Non-fee earning work, including liaison with the Fire Authority and other statutory authorities, enforcement of building regulations, inspection of unauthorised works as well as general advice on building regulation matters to the public and their representatives; in addition they carry out work in relation to facilities for the convenience of disabled persons; and
- (iii) Other services, such as expert emergency response and advice for public protection involving dangerous structures and demolitions, together with the protection of the public and emergency services, where buildings are damaged through impact, fire or explosion.

#### **4 CHALLENGES FACING A LOCAL AUTHORITY BUILDING CONTROL SERVICE**

- 4.1 Local Authority building control services are facing increasing competition from the private sector for market share and staff resources. Building control teams are finding it more difficult to retain their best staff and recruit new staff, who can earn higher salaries in the private sector or in other local authorities.
- 4.2 Given that the Essex-wide outsourced service did not prove to be a workable option, Rochford District Council's building control service has to stay competitive with the private market. The service is being proactive in using commercial skills and has successfully marketed the service, winning local business back from Approved Inspectors. Direct marketing to builders and clients, through their agents, is done continually by checking that the level of service and its delivery is appropriate and gives the right assistance to bringing the building work through the various stages to full compliance. It is Rochford's intention to be first choice.

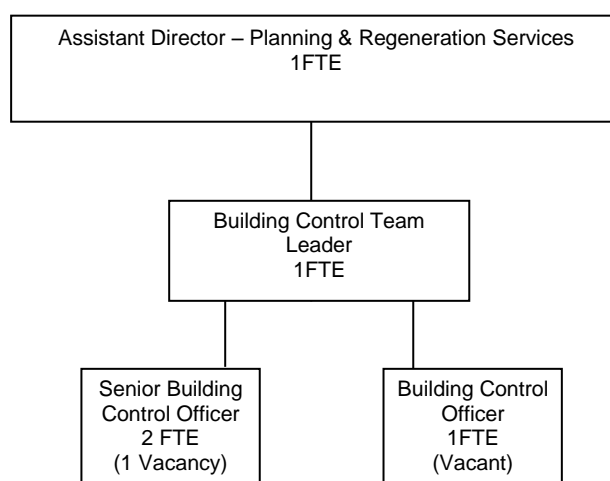
- 4.3 In order to keep pursuing this in-house option, the staffing shortage needs to be resolved by implementing an appropriate recruitment and retention package which will attract new entrants and ensure retention of existing staff.
- 4.4 Local authority building control has, up until more recently, competed well in a market environment, retaining a reasonable market share, though tending to be skewed towards smaller developments, including householder extensions and alterations. The service is actively seeking ways to broaden the mix of building types, because the general slowdown in construction output in the commercial sector has led to more intense competition from approved inspectors on the smaller developments and these also place the highest resource demand on the service.

## 5 AN EFFICIENT AND EFFECTIVE BUILDING CONTROL SERVICE

- 5.1 Building Control charges are set to recover the cost of providing the fee earning part of the service; the Authority may re-invest any surpluses to improve the service, but is not allowed to transfer any surplus for use in the General Funds.
- 5.2 It is important that the service is adequately resourced in the Medium Term Financial Strategy (MTFS), supported by surpluses in the fee earning account, if it is to retain clients and remain financially sustainable..
- 5.3 There is a risk of claims for refunded fees arising from poor service delivery if the service cannot recruit and retain sufficient high quality staff.

## 6 UPDATE ON BUILDING CONTROL TEAM STRUCTURE

- 6.1 The current structure of the Building Control service is:



- 6.2 A Team Leader and Senior Building Control Officer have been appointed. The Senior Building Control Officer position was an internal promotion. Agency staff have been used in other Senior and Building Control Officer

posts; however, this is not popular with builders who like consistency and to establish a working arrangement with the same person. The quality of agency staff available has varied and there is a considerable extra cost. The section is considering its recruitment strategy to mitigate these costs and to fill the two vacant posts - Building Control Officer and Senior Building Control Officer.

- 6.3 A detailed appraisal of the current market for building control staff with recruiters has concluded that a competitive recruitment and retention package will be needed. This will have cost implications, which are yet to be confirmed.
- 6.4 Rochford District Council has the potential to develop and grow its building control market share in the commercial sector, to take advantage of development opportunities around London Southend Airport.
- 6.5 It is also likely that new building control staff will need to be home grown in the future, using apprenticeships and graduate training schemes. The ability to deploy and effectively support staff who need development is essential, given the age profile of the profession and the national shortage of staff. An investment of around £7,500 per year is required for each individual.
- 6.6 Whilst the recruitment and retention of staff is essential for the resilience of the service and for the service to progress, modernisation is required in adopting methods of assessing staff performance and increasing productivity whilst staying customer focused. There may be opportunities to develop electronic working solutions which free up time and enable more flexible ways of working, as well as speeding up the delivery of the service and providing information on the progress of work streams.

## **7 SUMMARY**

- 7.1 In the next six months the next stages will be:-
- to recruit to vacant posts with an appropriate recruitment and retention package; this is still under review.
  - an ongoing review, by the newly appointed Team Leader, of the procedures and processes.
  - to restore the reputation of the service and marketing it to potential customers.
  - to review the charges to ensure they are competitive in the market, provide sufficient income to support the service and ensure they are in line with CIPFA accounting guidance.
  - to develop a training matrix to support staff development.

**8 RISK IMPLICATIONS**

- 8.1 Failure to maintain market share for fee earning work, when construction output is stagnant or falling, reduces income in the fee earning account and could lead to over reliance on non fee earning work, with overheads supported by the General Fund.
- 8.2 If the building control service is not adequately resourced, this could have a detrimental effect on the Authority's ability to ensure adequate control of buildings within the area. If Als become the dominant provider and more enforcement is required, this could have a knock on impact on the costs within the non fee earning account.

**9 ENVIRONMENTAL IMPLICATIONS**

- 9.1 The service ensures that the functional requirements of the building regulations under the Building Act 1984 are met and this includes health and safety of people in and around buildings, accessible buildings, standards of energy efficiency and carbon reduction, security of new homes and rainwater disposal.

**10 RESOURCE IMPLICATIONS**

- 10.1 As at Quarter 1 2017/2018, the fee income budget for Building Control was projecting an expected surplus of £55,040. However, the expenditure budget was expected to be £52,367 overspent at year end, due to the agency staffing pressures outlined within this report; therefore overall the service budget was projecting to be broadly online.
- 10.2 If the service cannot recruit and retain sufficient permanent staff, increasing reliance will be placed on agency staff and it may not be possible to contain costs within the current budget envelope. By way of comparison, the full year cost of a 15% market supplement for three senior officers would only pay for one full time agency worker for 14 weeks and it is, therefore, likely to be more cost effective over the medium term to offer an appropriate recruitment and retention package in order to secure permanent officers.
- 10.3 The overall budget position for the service will continue to be monitored throughout the year and any further risk of slippage will be reported within the quarterly financial reports, with mitigation plans as appropriate. Any additional ongoing costs will be agreed as part of the 2018/19 Medium Term Financial Strategy.

**11 LEGAL IMPLICATIONS**

- 11.1 The Council is required to carry out prescribed duties under legislation and determine compliance to ensure public safety.

**12 EQUALITY AND DIVERSITY IMPLICATIONS**

12.1 None.

**13 RECOMMENDATION**

13.1 It is proposed that the Committee **RESOLVES**

- (1) To note the progress made in the redesign of the in-house building control service and the arrangements for commercialisation.
- (2) To note that training budgets will need to be approved for apprentices and graduate trainees and that a package of retention and recruitment is essential for there to be any possibility of recruiting experienced and well qualified staff.



Matthew Thomas

Assistant Director, Planning & Regeneration Services

---

**Background Papers:-**

None.

For further information please contact Richard Snape (Building Control Team Leader) on:-

Phone: 01702 318051

Email: [richard.snape@rochford.gov.uk](mailto:richard.snape@rochford.gov.uk)

If you would like this report in large print, Braille or another language please contact 01702 318111.