
DELIVERY OF ROCHFORD DISTRICT COUNCIL'S BUILDING CONTROL SERVICE

1 PURPOSE OF REPORT

- 1.1 To outline an updated structure for Rochford District Council's Building Control Service, following a 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.
- 2.2 The Council's building control service is split into two elements, fee and non-fee earning work. The building regulation aspect of the service is income generating and is administered in accordance with The Building (Local Authority Charges) Regulations 2010 and Chartered Institute for Public Finance and Accountancy (CIPFA) requirements and must be self-financing. The non-fee earning part is directly funded by the Local Authority and includes functions such as dangerous structures, enforcement and demolitions.
- 2.3 The Council is in the process of updating the structure of its building control service to improve delivery of these functions.
- 2.4 If this updated structure delivers an effective service over the coming year, there may be opportunity to further develop the service moving forward.

Delivering a Building Control Service/Function of a Building Control Service

- 2.5 The Building Act 1984 places a 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 ensure that buildings meet minimum health, safety, welfare, convenience and sustainability standards.
- 2.6 Local Authority building control services are in a unique position amongst Local Authority services, in that, since January 1997 it has been required to compete directly with private sector Approved Inspectors (AIs). The competition with the private sector inspectors is not played out on a level playing field as 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), it has become very difficult for Local Authorities to compete.

- 2.7 The Council's building control service has three main functions. These are:-
- (i) to guide and advise industry to achieve building standards and administer the compliance system, including plan checking, inspection of building work, notifications, certification and record keeping;
 - (ii) non-chargeable activities 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 blue light services during emergencies involving building damage.

Factors facing a Local Authority Building Control Service

- 2.8 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. Despite this, 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. Even so, it is becoming increasingly apparent that an ageing workforce and reduced budgets, as well as fluctuations in market activity, have put additional stress on service delivery.
- 2.9 In Essex, consideration has been given to the creation of a county-wide building control service to address the commercial challenges faced by the individual Local Authorities. An optimistic start to the Essex building control project about three years ago soon dissipated as Local Authorities withdrew, culminating in an acceptance towards the end of 2016 from Colchester, the Lead Authority, that an Essex-wide building control service could not be delivered.
- 2.10 Given that an Essex-wide outsourced service has not proved to be a workable option, there is a need for Rochford's service to stay competitive with the private market. This would mean developing better commercial skills, training and marketing resources to effectively compete in this environment, which may affect future sustainability of the service. When resources are stretched, there may be little appetite to invest time and effort into what is sometimes viewed as potentially unproductive marketing/business development work.
- 2.11 In essence, consideration needs to be given to factors, which will ensure retention of existing staff, make the Local Authority attractive to potential new

staff members, the development of commercial resilience and a strategy for potential future growth of the service to ensure longevity of the building control function.

An efficient and effective Building Control Service

- 2.12 Building control fees for chargeable work must be set at a level to recover the cost of service provision. Within legislative restrictions, an authority may re-invest a small surplus into service improvements, but it is not permitted to aim to make a surplus for use within general funds. An efficient and effective building control service will help to minimise the possibility or likelihood that the authority will have to subsidise its chargeable operations from general funds.
- 2.13 Essentially, the cost to an authority of running its building control service is greatly assisted by maintenance of a high market share. If market share is lost to private sector providers, the authority would bear a greater proportion of its overhead costs through general funds. Indeed losing cases and inspections to competitors not only results in the loss of income to the Local Authority, but it also incurs the additional cost of registration and administration of the 'initial notice' (IN) submitted by a competitor, for which the Local Authority do not receive a fee.
- 2.14 However, this can be prevented if Local Authorities seek to maximise their 'fee earning' work, to help lower overheads and ultimately reduce any cost burden on the Local Authority for this work. As such, investment in marketing the service is vital, especially to attract good repeat clients, who ultimately are more profitable for the Local Authority from a commercial perspective. Any marketing costs incurred are a legitimate part of the cost of service provision and, therefore, may be recovered through fees.
- 2.15 As a result, it should be a priority for a building control service to devote sufficient resources for effective marketing and promoting its service to help minimise the risk of a reduction in market share. Early intervention is important and there are some simple options available to improve this. For example, consideration may be given to written correspondence including a fee proposal with homeowners on receipt of any planning application. This would allow the homeowner to compare, early on, any alternative quote that they may receive, through an agent or builder. Furthermore, targeted literature could be developed to highlight specific service benefits to individual customer groups i.e. homeowners, agents and builders.
- 2.16 The service also needs to become more footloose and flexible with officers working from home and in the field rather than necessarily being based in the Rochford offices.

Update to the Building Control Service Team Structure

- 2.17 The building control service provided by Rochford District Council is of good quality and generally well regarded by service users, but it is currently under-resourced and may be in danger of losing market share; although it is acknowledged that an increase in fees and charges for building control services has resulted in higher income generation nonetheless.
- 2.18 The quality of service derives from the experience, professional competence and in-depth knowledge of existing team members, who exhibit a genuine desire to provide a high quality customer focussed service. However, there is a need to create a critical mass of capacity, coupled with management arrangements to enable resources to be deployed more effectively and efficiently, coupled with adoption of more technology based practices and processes. This requirement has been highlighted through the recent review of the workforce and service areas where workplace pressures have raised concerns about service delivery and resilience. The review was highlighted in the recently approved Medium Term Financial Strategy (MTFS), with additional monies being allocated for staffing, including resources for building control.
- 2.19 The former and updated structures are detailed in Table 1 (as below). The updated structure has been created from a redesign of posts within the existing building control budget. The senior positions will be filled from promotion of existing staff members. The team leader and building control officer posts will be filled from advertisements to the market, subject to attracting appropriate candidates, bearing in mind strong competition from other Local Authorities and the private market.

Former Structure	Updated Structure
Senior Building Control Officer	Team Leader Building Control
Building Control Officer	Senior Building Control Officer
Assistant Building Control Officer	Senior Building Control Officer
Building Control Officer (1 year fixed term)	Building Control Officer (1 year fixed term)
2017/2018 Budget - £179,400	2017/2018 Budget - £179,300

Table 1

- 2.20 Currently an agency building control officer, employed on a short-term contract, occupies one post within the service. This staff member is considerably more expensive to maintain than employing a permanent member of staff. Appointing to the vacant posts on a permanent basis is, therefore, a priority to ensure that the service is cost efficient and resilient.

In addition the vacancies are placing additional pressure on the existing permanent staff within the service.

- 2.21 If the service is unable to recruit to the vacant posts there may be a need to consider how candidates may be attracted to the Local Authority, including considering competitive recruitment and retention packages. This may need to be informed by benchmarking the service with other local government organisations and the private sector in order to offer competitive packages to staff. This could have cost implications.
- 2.22 During periods of economic growth, the demand for building control services increases. If Rochford can develop the right model for its building control service there is opportunity not only to maintain and potentially grow its market share, but to also ensure that the authority is best placed in terms of resources to take advantage of increased demand from additional development including the new business park adjacent to London Southend Airport.
- 2.23 In addition, Rochford may be able to begin to address future recruitment and retention issues by championing an approach that offers further opportunities for career progression. Indeed future consideration may be given to further graduate / trainee posts within the structure, if the service improves its market share.
- 2.24 Developing new building control staff through apprenticeships and graduate trainees may be an important part of future service development and resilience; addressing succession issues within the service. Nationally, there is a lack of staff joining the profession. The ability to employ and effectively support trainees, considering the current age profile of the profession, and in essence 'grow your own' is, therefore, seen as a fundamental element of future-proofing.
- 2.25 Even so, the main focus within the coming months will be to address staffing issues through the recruitment and retention of staff. In addition, work will be undertaken to review the service's operational processes and procedures, once the team leader is appointed with the assistance of ICT. It is intended that this will help realise further efficiencies and improve the competitiveness of the service. Furthermore, market strategy will be developed in conjunction with the communications team to help enable the business to grow, develop and potentially expand.

Summary

- 2.26 In summary, during the forthcoming months the key stages will be:-
- (i) recruitment to vacant posts and promotion of existing staff member into roles;
 - (ii) a review of the processes and procedures by the newly appointed team leader, once in post with assistance from ICT;

- (iii) development of brand and marketing material and promotion of the redesigned service with potential customers and;
- (iv) a review of fees and charges to ensure that the service is in line with CIPFA Guidance. In the medium term and, depending on commercial resilience and the level of income generation, it will be possible to investigate a strategy for potential future growth of the service to ensure longevity of the building control function.

3 RISK IMPLICATIONS

- 3.1 A failure to maintain market share for fee earning work will reduce income opportunities, leaving the Local Authority still being required to provide non-fee earning services with an increased allocation of overhead costs from general funds.
- 3.2 It may be difficult to recruit suitable new team members to lead and help inject investment and additional expertise into the service to assist with driving forward improvements, efficiencies, innovation and additional revenue potential. In addition, if the private sector becomes a dominant provider of services, Rochford will have less control overall on the standard of service to customers and quality of building work in the locality, but will remain responsible for enforcement and non-fee earning elements of the service.

4 ENVIRONMENTAL IMPLICATIONS

- 4.1 Work of the building control service, in line with the Building Act 1984 and Building Regulation 2010, ensures health and safety standards are complied with from the point of design work to construction work of the building. Sustainability and environmental objectives have recently become increasingly prevalent and there are standards for energy efficiency, energy performance certification and carbon dioxide emissions.

5 RESOURCE IMPLICATIONS

- 5.1 The 2017/18 budget has been built upon the assumption of the new structure going live from 1 April 2017. However, the slippage to recruitment will mean additional costs incurred as agency costs are higher than permanent staff members.
- 5.2 The range of the potential risk is up to £31k if the posts are not recruited by September 2017 and then a further £41 per month after that if both posts remain vacant. Finance will monitor the situation closely and consider the risks further if the recruitment is not going as well as planned.

6 LEGAL IMPLICATIONS

- 6.1 There are no legal implications.

7 RECOMMENDATION

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

- (1) To note the details of the re-design of the in-house building control service and the arrangements for developing the commercial focus.
- (2) To note that a shared service in Essex has not been pursued.



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Background Papers:-

None.

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