



**M. Mansell, BSc
(Hons), F.C.P.F.A.,
Chief Executive
North Devon Council**

**S. Walford
Chief Executive and
Director of Growth
Mid Devon District
Council**

BUILDING CONTROL JOINT COMMITTEE

A meeting of the Building Control Joint Committee will be held in the Woodlands Enterprise Centre, Pathfields Business Park, South Molton on **THURSDAY, 14TH FEBRUARY, 2019 at 10.00 am.**

Members of the Group: Representing North Devon Council

Brailey (Chairman) and Yabsley

Representing Mid Devon District Council

Chesterton and Eginton

AGENDA

1. Apologies for absence
2. To approve as a correct record the minutes of the meeting held on 1st November 2018 (attached) (Pages 1 - 4)
3. Items brought forward which in the opinion of the Chairman should be considered as a matter of urgency.
4. Declarations of Interest
(Please complete the enclosed form or telephone the Corporate and Community Services Unit to prepare a form for your signature before the meeting. Interests must be re-declared when the item is called, and Councillors must leave the room if necessary).
5. To agree agenda between Part 'A' and Part 'B' (Confidential Restricted

Information)

PART 'A'

6. **Pooled budget and trading account as at 31st December 2018.** (Pages 5 - 6)
Report by North Devon Council Head of Resources (attached).
7. **2019/20 to 2021/22 Pooled Budget Forecast.** (Pages 7 - 8)
Report by North Devon Council Head of Resources (attached).
8. **Key Performance Indicators.** (Pages 9 - 10)
Report by the Building Control Manager (attached).
9. **Building Control Business Update.** (Pages 11 - 12)
Report by Building Control Manager (attached).
10. **Fee Revisions.** (Pages 13 - 16)
Report by the Building Control Manager (attached).
11. **Mid Devon District Council Building Control Partnership governance and audit findings.**
Building Control Manager to report.
12. **Review of Partnership Delivery.** (Pages 17 - 20)
Report by the Building Control Manager (attached).
13. **Dates and locations of future meetings. To agree dates and locations of future meetings of the Committee for 2019/20.**
(NOTE: Unless otherwise agreed the Joint Committee must meet at least on a quarterly basis with the meeting held at 10.00am and the offices of the Chairman's partner authority).

PART 'B' (CONFIDENTIAL RESTRICTED INFORMATION).

If you have any enquiries about this agenda, please contact Corporate and Community Services, telephone 01271 388253

North Devon Council
Brynsworthy Environment Centre
Barnstaple
North Devon EX31 3NP

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NORTH DEVON COUNCIL/MID DEVON DISTRICT COUNCIL

Minutes of a meeting of the BUILDING CONTROL JOINT COMMITTEE held at Woodlands Enterprise Centre, Pathfields Business Park, South Molton on Thursday 1st November 2018 at 10.00 a.m.

PRESENT: Representing North Devon Council

Councillors Brailey (Chair) and Yabsley.

Representing Mid Devon District Council

Councillors Chesterton and Eginton.

Officers:

North Devon Council

Chief Executive, Head of Resources, Building Control Manager, Solicitor (SF) and Corporate and Community Services Officer (KS).

Mid Devon District Council

Finance Manager (JN) and Accountant (AB).

11 APOLOGIES FOR ABSENCE

Apologies for absence were received from the Head of Planning at Mid Devon District Council.

12 MINUTES

RESOLVED that the minutes of the meeting held on 26th July 2018 (circulated previously) be approved as a correct record and signed by the Chairman.

13 DECLARATIONS OF INTEREST

There were no declarations of interest announced.

14 POOLED BUDGET AND TRADING ACCOUNT AS AT 30TH JUNE 2018

The Joint Committee received an update by the Head of Resources in relation to the Pooled Budget and Building Control Trading Account as at 30th June 2018 (circulated previously).

The Head of Resources highlighted the following:

- The total expenditure for April to June 2018 was £169,292.
- The total income for both Council's was £160,532 with an income split of 60:40 across respective Council's.
- The total joint net budget for 2018/19 was £102,480, with the budget for quarter one of £25,620.
- The net cost for the period for April to June 2018 was £8,760 against a budget of £25,620.

15 POOLED BUDGET AND TRADING ACCOUNT AS AT 30TH SEPTEMBER 2018

The Joint Committee received an update by the Head of Resources in relation to the Pooled Budget and Building Control Trading Account as at 30th September 2018 (circulated previously).

The Head of Resources highlighted the following:

- The net cost as at 30th September 2018 was £22,826, against a budget for the six month period of £51,240.
- The total income for both Council's from April to September 2018 was £316,192, with a slight shift in the allocation of the income split of 62:38.
- The total combined net cost for the period April to September 2018 was £22,826 against a budget of £51,240.
- There had been cost changes in quarter three in relation to staffing budgets, which would cause some volatility within the expenditure budget.

16 BUILDING CONTROL BUSINESS UPDATE

The Joint Committee received a Building Control business update by the Building Control Manager.

The Building Control Manager highlighted the following:

- At the previous Committee it was reported that a Senior Officer had resigned but had not been replaced directly, so as to make the Technical Support Team stronger. The team had now been successful in recruiting a new Technical Support Officer.
- There had been several changes to working hours of members of the team for various reasons and this had contributed to resource issues.
- The team had advertised for additional employees whilst remaining within the 2018/19 budget and had temporarily outsourced some plan checking to Exeter City Council's Building control, resurrecting a previous agreement between Exeter City and Mid Devon District Council.
- The team had successfully recruited a new Principal Surveyor.
- There were also advertisements in place for the vacant Building Control Surveyor and Technical Support Officer posts.
- The Team had been restructured and split into two teams to allow for greater monitoring and management of the workloads.

17 KEY PERFORMANCE INDICATORS

The Joint Committee received an update by the Building Control Manager regarding the Key Performance Indicators.

The Building Control Manager highlighted the following:

- Response times had slipped outside of the expected targets due to resource constraints resulting from staff vacancies and an officer being unavailable due to a period of extended sick leave.
- The Key Performance Indicators (KPIs) indicated that the team was still achieving a figure of 92% for Building Regulation Applications examined within three weeks. However, the average time to first response in days was slightly down at 13 days for quarter two.
- The market share had improved slightly and was now holding at the correct level.
- The market share of new housing completions appeared to be up due to a lower number of completions on larger sites.

18 BUILDING CONTROL SERVICE PLAN 2019-20

The Building control Manager presented the service plan for 2019/20 and gave an overview of the service going forward.

He added that the service plans were considered by the Overview and Scrutiny Committee in January of each year. However, the Building Control Service plan was developed jointly with Mid Devon District Council and the input of the Joint Committee was part of the process.

He provided an overview of the current position within the team together with the short and medium to long term objectives. He advised that the service plan had been amended since the agenda had been published and tabled the updated version.

The Head of Resources added that the figures contained within the service plan were only draft as the budget for the forthcoming year had not yet been agreed.

19 DATES AND LOCATIONS OF FUTURE MEETINGS OF THE COMMITTEE

RESOLVED, that the Clerk to the Joint Committee and the Head of Resources discuss potential dates for the meeting in January 2019 and that the Joint Committee be notified accordingly.

Chairman

The meeting ended at 10.40 a.m.

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Building Control Joint Committee: 1st November 2018

NOTE: These minutes will be confirmed as a correct record at the next meeting of the Joint Committee.

NOTE: The above decisions shall not take effect until the five clear working days have elapsed from the date of publication: 5th November 2018.

Trading Account at 31 December 2018

Building Control Partnership Trading Account 2018/19

	1		2			3		4		5	
	2018/19 budget		April to Dec 2018 (actual)			April to Dec 2018		NDC April to Dec 2018		MDC April to Dec 2018	
	NDC	MDC	NDC	MDC	Total	NDC	MDC	Chargeable	Non Chargeable	Chargeable	Non Chargeable
	£	£	£	£	£	61% £	39% £	75% £	25% £	75% £	25% £
Expenditure											
Employees	296,360	219,210	217,488	131,369	348,857	212,803	136,054	159,602	53,201	102,041	34,014
Transport	20,750	15,850	14,348	10,878	25,226	15,388	9,838	11,541	3,847	7,379	2,460
Supplies and Services	25,650	22,270	22,056	13,401	35,457	21,629	13,828	16,222	5,407	10,371	3,457
Third Party Payments	0	0	-613	0	-613	-374	-239	-280	-93	-179	-60
Central & Support Service charges	72,510	44,680	54,383	33,510	87,893	53,614	34,278	40,211	13,404	25,709	8,570
Total Expenditure	415,270	302,010	307,662	189,158	496,820	303,060	193,760	227,295	75,765	145,320	48,440
Income											
Building Regulation Charges	-346,000	-267,800	-272,418	-174,618	-447,036	-272,418	-174,618	-272,418	0	-174,618	0
Miscellaneous Income	-1,000	0	0	-13	-13	0	-13	0	0	-13	0
Total Income	-347,000	-267,800	-272,418	-174,631	-447,049	-272,418	-174,631	-272,418	0	-174,631	0
(Surplus)/Deficit for Year	68,270	34,210	35,244	14,527	49,771	30,642	19,129	-45,123	75,765	-29,311	48,440

% income split

102,480

61%

39%

49,771

30,642

19,129

1 Respective budgets approved by individual authority's Full Council meetings

2 Individual authority's actual costs and income for period 1 April to 31 Dec - Pooled Budget

3 Based upon Building Control activity (income); costs split 61%/39% across respective Council's

4 North Devon financial position - split into 'Chargeable Functions' as defined by the Building (Local Authority Charges) Regulations 2010 and also 'Non-Chargeable Activities'

5 Mid Devon financial position - split into 'Chargeable Functions' as defined by the Building (Local Authority Charges) Regulations 2010 and also 'Non-Chargeable Activities'

Building Control Partnership Trading Account 2017/18

	1		2			3		4		5	
	2017/18 budget		April to Dec 2017 (actual)			April to Dec 2017		NDC April to Dec 2017		MDC April to Dec 2017	
	NDC	MDC	NDC	MDC	Total	NDC	MDC	Chargeable	Non Chargeable	Chargeable	Non Chargeable
	£	£	£	£	£	60% £	40% £	75% £	25% £	75% £	25% £
Expenditure											
Employees	259,090	243,260	163,663	173,832	337,494	202,496	134,998	151,872	50,624	101,248	33,749
Transport	17,690	16,870	16,082	11,637	27,719	16,631	11,088	12,474	4,158	8,316	2,772
Supplies and Services	18,740	19,380	10,285	17,805	28,090	16,854	11,236	12,641	4,214	8,427	2,809
Third Party Payments	0	0	3,931	0	3,931	2,359	1,572	1,769	590	1,179	393
Central & Support Service charges	72,730	46,630	62,048	34,973	97,020	58,212	38,808	43,659	14,553	29,106	9,702
Total Expenditure	368,250	326,140	256,008	238,246	494,254	296,553	197,702	222,414	74,138	148,276	49,425
Income											
Building Regulation Charges	-340,000	-280,800	-257,055	-172,132	-429,187	-257,055	-172,132	-257,055	0	-172,132	0
Miscellaneous Income	-1,000	0	0	-1,904	-1,904	0	-1,904	0	0	-1,904	0
Total Income	-341,000	-280,800	-257,055	-174,036	-431,091	-257,055	-174,036	-257,055	0	-174,036	0
(Surplus)/Deficit for Year	27,250	45,340	-1,047	64,211	63,164	39,498	23,666	-34,640	74,138	-25,759	49,425

% income split

60%

40%

63,164

39,498

23,666

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NMD BUILDING CONTROL

REPORT TO: JOINT SERVICES COMMITTEE

DATE: 14/02/2019

TOPIC: KEY PERFORMANCE INDICATORS

REPORT BY: MIKE TUCKER (BUILDING CONTROL MANAGER)

1 INTRODUCTION

1.1 The purpose of this report is to update members regarding the progress of the partnership and contains no recommendations

2 REPORT

2.1 Key performance indicators

KPI	Year	2018/19		
	Target	Q1	Q2	Q3
Building Regulation Full Plan applications determined in 2 months	95%	99%	97%	96%
Building Regulation Applications examined within 3 weeks	95%	95%	92%	87%
Average time to first response (Days)	10	11	13	12
Market Share - Number of applications %	74%	77%	78%	80%
Market Share - New Housing Completions %	40%	50%	48%	47%
Financial Position	Breakeven	£18,830	£61,928	£109,510

2.1 Plan check response times

Response times have slipped outside of target due to resource constraints necessitating the plan checking being outsourced to Exeter City Council Building Control. This has now been taken back in house from the beginning of 2019.

2.2 Market share – Number of applications

2.2.1 Market share based on the number of applications received has now increased for the 3rd successive quarter. There are in excess of 30 approved inspectors actively

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seeking work in the area which suggests that this level of market share is unlikely to increase further and maintaining it will be a significant challenge.

2.2.2 The defection of senior officer to JHAi Ltd. from the North Devon team has at this point had no discernible impact on customer loyalty

2.3 Market share – New Housing Completions

2.3.1 Market share of new housing completions remains currently very strong at 47%

2.3.2 Financial Position

2.3.3 A full report with regard to the financial position will be provided by Jon Triggs.

NOTE TO: JOINT SERVICES COMMITTEE

DATE: 14/02/2019

TOPIC: BUILDING CONTROL BUSINESS UPDATE

REPORT BY: MIKE TUCKER (BUILDING CONTROL MANAGER)

1 INTRODUCTION

1.1 The purpose of this note is to update members regarding the progress of the partnership and contains no recommendations.

2 REPORT

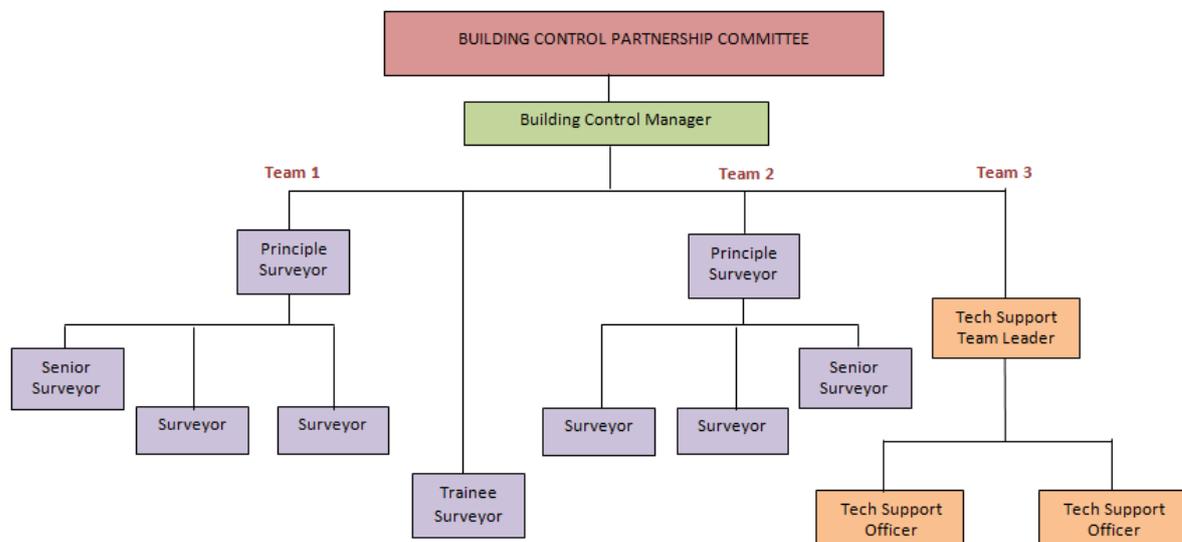
2.1 Staff

Following previous report of staff vacancies these have now been filled with the following new starters.

29/10/2018	Technical Support Officer
17/12/2018	Technical Support Officer
14/01/2019	Principal Building Control Surveyor
28/01/2019	Trainee Building Control Surveyor

The Trainee post was appointed following interviews for a Surveyor post and consultation HR. The quality of candidates applying for the Surveyor post was inadequate and therefore the decision was made to appoint an applicant who impressed at interview but had insufficient experience and knowledge of the Building Regulations as a trainee so that they can be developed to meet the needs of the role.

This has enabled implementation of the new structure within the service.



Service Structure

As a result of recruitment all plan checking is now being carried out in-house since 1 January 2019 and all applications have been returned by Exeter City Council Building Control.

Surveyors are currently contacting customers and identifying nominations for the LABC Building Excellence Awards 2019.

2.2 Marketshare

As reported in the KPI report, market share is currently strong at 78% with high levels of housing completions maintaining an unusually high market share in the new build homes sector. We also have a new housing developer using our service for the first time bringing a site of 28 dwellings who was previously using Premier Guarantee.



NMD BUILDING CONTROL

REPORT TO: JOINT SERVICES COMMITTEE
DATE: 14/02/2019
TOPIC: FEE CHANGES
REPORT BY: MIKE TUCKER (BUILDING CONTROL MANAGER)

1 INTRODUCTION

1.1 This paper sets out the current financial position and the case for increasing the fees.

2 RECOMMENDATIONS

- 2.1 It is recommended that fees are increased by approximately 3%. The proposed charges have been rounded up to the nearest round figures to eliminate decimal points when both with and without VAT.
- 2.2 It is also proposed to implement the restructuring of fees to combine the plan fee and inspection fee into a single payment at the time of the deposit of the application which was previously agreed by this committee. The aim of this change is to reduce the administration of invoice payments reduce bad debts and remove customer confusion regarding the inspection invoice where they have not been informed of this by their agent.
- 2.3 The revised Fee Scheme has been drafted together with a new fee calculator used for preparing individual quotations. It is proposed to introduce the change on 1 April 2019 after advertising the change on the website for 1 month.

3 REASON FOR RECOMMENDATIONS

- 3.1.1 The fees were changed in April 2018 but the levels need to be increase due to inflation to maintain a balanced budget and ensure that the service continues to be self-funding.
- 3.1.2 The chargeable rate for providing the Building Control Service has been re-calculated and used to calculate the fees using our model inspection regime. The results of this analysis showed an increase on average of 3% above the current fees.
- 3.1 The aim of this change to the structure of the fees is to reduce the administration of invoice payments reduce bad debts and remove customer confusion regarding the inspection invoice where they have not been informed of this by their agent. Key clients have been consulted with regard to this and are in favour of the change.

3.2 A comparison of fees with other Local Authorities and Partnerships in the South West has been carried out and the fees remain competitive.

3.3 Reports from customers indicate that fees vary considerably in the private sector with some projects quoted significantly higher and some lower. Major competitors in the region continue to operate a low cost strategy but we continue to win work based on quality of service rather than price. A low cost strategy is not viable due to the potential reputational damage to Local Authority partners.

4 BACKGROUND

4.1.1 Building Regulation fees are paid by householders or developers at the time that works are undertaken or when plans are submitted to the Authority. Until 1 April 1999 the fees charged by Local Authorities were prescribed by Central Government at a level that was intended to reflect the cost of providing the minimum statutory service required by law.

4.1.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) guidance sub-divides the Building Control Service into chargeable and non-chargeable activities. The Local Authority costs charged to the chargeable activities are those that relate solely to the issue of statutory Building Regulation notices relating to deposited applications and the carrying out of statutory site inspections. All other costs are charged to the Non-Chargeable Activities. 75% of the costs incurred by Building Control are related to this core activity

4.1.3 The Regulations cited as the Building (Local Authority Charges) Regulations 2010, require each Local Authority to prepare a scheme for the recovery of Building Control Charges with a view to ensuring that the chargeable activities are self-financing over any consecutive three to five year period.

4.1.4 It should be noted that the chargeable activities of Building Control are subject to competition from private sector Approved Inspectors resulting in each building project being tendered for individually.

5 FINANCIAL PERFORMANCE

5.1 The Partnership is currently trading well above the breakeven point but is marginally below budget predictions.

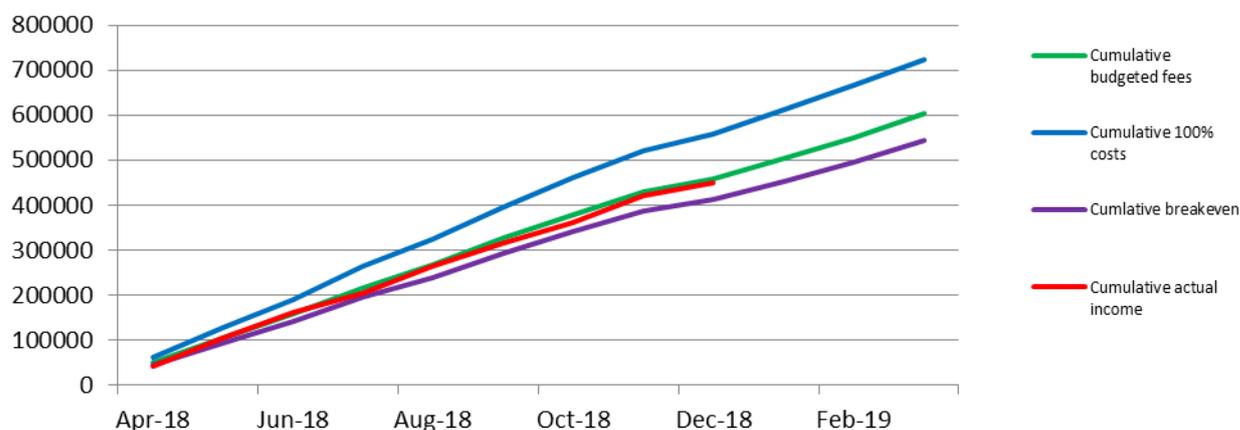


Figure 1: Financial performance 2018/19

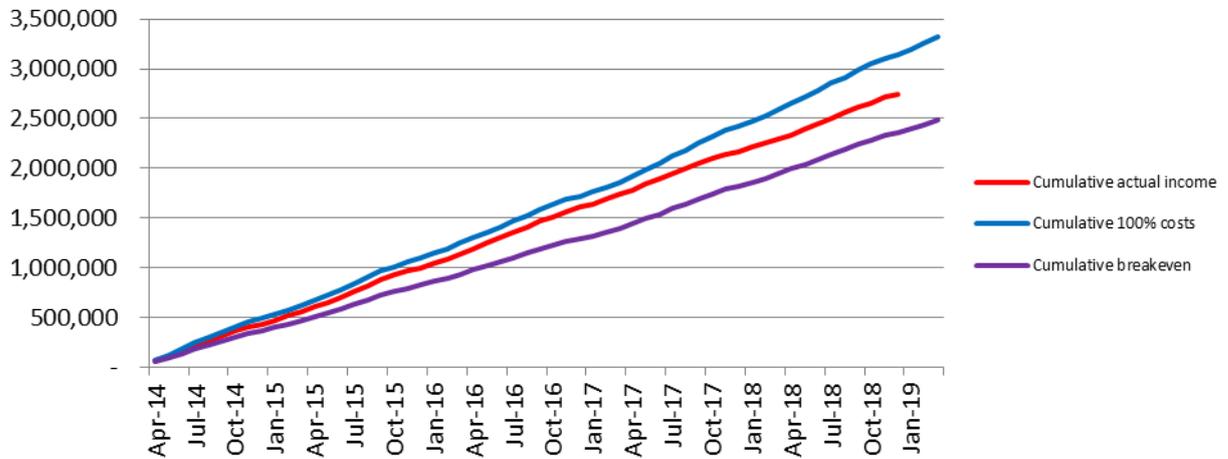


Figure 2: Financial performance over last 3 years

6 RESOURCE IMPLICATIONS

- 6.1 The increase in fees is aimed at ensuring the continued self-funding of the Building Control Service avoiding a deficit in the trading account and to met budget expectations of the partners. As it is aimed at maintaining the current position there should be no resource implications.

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NOTE TO: JOINT SERVICES COMMITTEE

DATE: 14/02/2019

TOPIC: REVIEW OF PARTNERSHIP

REPORT BY: MIKE TUCKER (BUILDING CONTROL MANAGER)

1 INTRODUCTION

1.1 The purpose of this note is to update members with regard to progress against the original objectives that formed the rationale for the partnership and contains no recommendations.

2 REPORT

2.1 Service vision

The business case for the partnership identified the core vision as *“to provide a Building Control Service that helps our customers to meet the requirements of the Building Regulations in a manner that is user friendly whilst ensuring that the activities open to competition are competitively priced and delivered efficiently without cost to the Local Authority”*.

2.2 Benefits of joint working

Anticipated benefits of joint working in order to achieve this vision were identified as,

- Business resilience
- Updating systems
- Shared investment
- Marketing
- Cost reduction
- Skills and training

2.3 Objectives

In order to deliver these benefits the following objectives were considered key,

- **Maximise efficiency by minimising costs whilst maintaining customer satisfaction with the service**

The combined Building Control budget prior to the formation of the partnership for both NDC and MDDC in 2016/17 was £731,750.00. If this had increase 3% pa the budget for 2019/2020 would have been £799,602.00. The actual proposed budget for 2019/20 has been set at £733,660.00 indicating that the partnership has increased efficiency and minimised costs delivering a saving of approximately £65,942.00 pa.

Current market share and feedback from customers indicates that customer satisfaction has been maintained or enhanced.

- **Enable digital transactions with clients without making internal procedures inefficient**

The instruction of the current ICT systems has greatly increased the efficiency of dealing with customers in digital formats enabling a choice of submission portals via iApply and the Planning Portal and the facility for on-line payments at the time of submission of applications.

As a result the vast majority of information is now submitted digitally and combined with the mobile inspection apps has delivered efficiencies to the Surveyors. This can be seen in the ability to replace a senior Surveyor with a trainee. Confidence in the system has also enabled us to become completely paperless with no hard copy files now being used.

- **Provide accurate data to ensure pricing policies are competitive and meet costs incurred on projects**

Reporting capabilities have been improved due to the ICT systems implemented but reporting capabilities are yet to be exploited. However, report training is scheduled for April 2019.

- **Build strong relationships with our customers including use of LABC Partnership scheme and tie into national marketing initiatives**

By combining best practice across the partners we have gained greater commitment to national marketing initiatives with an increased number of nominations for the LABC Building Excellence Awards and national recognition with the LABC Superstar of the year award being one by our Technical Support Team Leader for outstanding commitment to the provision Local Authority Building Control.

We are now represented on the LABC SW Marketing panel and chair the Devon and Cornwall Building Control Group.

We have also joined the LABC Quality Assurance Scheme that was a response to the Hackitt enquiry into Building Control being one of the first Authorities to gain accreditation to ISO9001 under the pilot scheme.

Market share is currently good and a number of customers have returned after working with Approved Inspectors providing evidence of improved reputation particularly in the Mid Devon area.

Direct marketing efforts have been constrained by staff shortages in 2018/19 but this is now being rectified with an increase in face to face meetings with key clients.

Training has also been provided to all staff with regard to customer service and the concept of consultative selling.

- **Maintain sufficient staff with adequate expertise to deliver service effectively**

One of the major challenges we have had to contend with since the formation of the partnership has been enabling adequate staffing resource.

- The move to a centralised office located at South Molton has impacted on retention of our Technical Support Staff with three of the original four staff leaving.
- Two Senior Surveyors from Mid Devon left by mutual agreement
- Two Senior Surveyors moved on in order to move their careers in a different direction.
- A technical Support Officer who was recruited left again.
- Two Surveyors who were off for extended periods of sick leave for very different reasons.

These retention difficulties have been carefully considered and other than those due to relocation of the office are not attributable to the formation of the partnership.

However, what is clear is that a similar rate of turnover would have devastated the service if each Authority had continued to operate as an independent service within their own boundaries demonstrating the impact of the partnership on business resilience.

The formation of the partnership has provided the flexibility to recruit a trainee instead of a Surveyor enabling us to fill a post we were finding it difficult to recruit a suitably qualified and experienced candidate and we are developing staff for future more senior roles.

- **Introduce workflow management to maximise flexibility in allocation of resources**

The ICT systems including the Enterprise workflow management system and mobile inspection app have enabled a far greater level of flexibility by increasing the ability of staff to work remotely. It has also enabled systems to be introduced that track the work far more visibly identifying any backlogs or uneven distribution work earlier which helps improve performance against KPI's and will prevent service failures moving forward.

3 CONCLUSIONS

We believe that there is evidence that the objectives of the partnership are being met and that a firm foundation has been laid for the development of the service in the future.

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