

NOTE TO: JOINT SERVICES COMMITTEE

DATE: 06/11/2022

TOPIC: BUILDING CONTROL BUSINESS UPDATE

REPORT BY: ANDY HOWARD

WRITTEN 22/10/2022

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 & Market Share

The KPI activity reports show a strong Q1 and this is demonstrated by the volume of applications and also the income that will be reported on by finance.

The spike in application volume was anticipated and is due to the June 15th deadline for depositing applications to take advantage of the transitional provisions to the changes in the building regulations.

Key Performance indicators									
KPI	Year	2021/22				2022/23			
	Target	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Building Regulation Full Plan applications determined in 2 months	95%	100%	98%	98%	100%	100%	100%*		
Building Regulation Applications examined within 3 weeks	95%	90%	98%	99%	96%	81%	41%*		
Average time to first response (Days)	10	8.5	7.5	8	7	12	13*		
Market Share - Number of applications %	75%	77%	80%	84%	79%	75%	76%		
Market Share - New Housing Completions %	40%	47%	39%	42%	35%	39%	40%		
Financial Position	Breakeven	51,929	81,775	102,703	144,531	TBA	TBA		
Number of applications received	N/A	379	322	295	362	424	252		

Astrix * – Figures displayed do not include September.

Q2 has seen application numbers and income drop off sharply.

Overall market share has dropped in Q1 to 75%, but as the table above shows, this appears to have stabilised and improved slightly to 76% by the end of Q2.

Market share in the housing sector recovered in Q1 to 39% and appears to have stabilised to 40% at the end of Q2.

Difficulties with resourcing are clearly having an impact on our ability to respond and function.

The figures in the table marked with an astrix do not include the figures for September. Since the Technical Support Team Leader departed we have been unable to access information from the system to populate the report.

Based on the figures available and we have seen our response times lengthen as are resources have come under further pressure. Q1 shows an increase to 12 days to our first response and Q2 shows this slipping further to 13 days for the first two months of the second quarter.

All decisions have been made within two months, so our statutory obligations have been met, but applications examined within three weeks has suffered and for the first two months of the Q2 has dropped to 41%.

While our current market share remains strong, the current trend in lengthening response times will eventually have a negative impact on the volume of work the Partnership attracts and the income it receives.

2.2 Workload

In summary, the first six months of this financial year have been a tale of two halves.

As previously reported, the change to the Building Regulations and the deadline for submission in June explain the front loading of the income and application volume.

It is likely the reduced numbers submitted in Q2 have been as a direct result of applications being submitted earlier than they would have been without the change/deadline.

But given the uncertainty surrounding the economy it would be unwise to assume the drop in numbers is solely due to the front loading of applications as a result of the regulation changes and the deadline.

Reflecting on our historic data and in particular application figures since the Partnership formed, Table 1 below indicates we are about where we anticipated we should be for the midway point of the financial year in terms of application volume.

Table 1 - Applications Received

<u>Q1</u>		<u>Q2</u>		<u>End Q2</u>	
2018	339	2018	334	2018	673
2019	347	2019	348	2019	695
2020	237	2020	356	2020	593
2021	379	2021	322	2021	701
2022	424	2022	252	2022	676
<u>Average 345</u>		<u>Average 322</u>		<u>Average 66</u>	

2.3 Financial Position

To be reported by finance on Q1 & Q2 but it is anticipated the income figures will be indicative of the spike in volume of work in Q1 and the dropping off in volume in Q2.

It is anticipated the trading account figures will show income to be where it was expected to be at the end of Q2.

2.4 Staffing & Vacant Posts

Since the last Committee meeting a further four employees have either resigned or are no longer employed by the Partnership.

The additional departures are two Senior Building Control Surveyors, a Building Control Surveyor and the Technical Support Team Leader.

In summary since September 2022, the Partnership has seen the following departures;

Building Control Surveyor	Retired
Building Control Manager	Retired
Principal Building Control Surveyor	Moved to Private Sector BC
Building Control Surveyor	Moved to Adjoining LABC
Senior Building Control Surveyor	Moved to Private Sector BC
Building Control Surveyor	Moved to Private Sector BC
Tech Team Leader	Moved to Non BC employment
Senior Surveyor	Contract ended due to ill health

The vacant Building Control Managers post has been re-advertised at an enhanced rate in August but failed to attract a single candidate to interview.

Negotiations are underway for the Managers and Principal Surveyors post to be advertised with the assistance of a Head Hunting Recruitment Agency.

The Technical Team Leaders post has been appointed to and filled internally by one of the Assistant Technical Officers. This will require a further Assistant Technical Officers post to be advertised to backfill the void this process has left.

The additional 20 hour Technical Support Staff has not been re-advertised.

The remaining Surveying posts are to be advertised shortly and are likely to require significant market supplements to be competitive in the market place.

2.5 Market Forces & Economic Pressure

It is clear market forces and the Partnership's lack of agility to be able to compete in the recruitment of a Manager has led to a number of the Building Control Team seeking and being tempted by opportunities elsewhere.

It is apparent staff have been attracted to significantly improved offers of employment for similar roles with less responsibility in the local private and public sector.

The rise in the cost of living has also had an impact on employees seeking to improve their personal financial position.

2.6 Resourcing Issues- Risks to the Business

- The resignation of the Principal and a Senior Officer to a local branch of a Private Building Control Body based in Exeter presents a risk to our business. In particular, with the Senior Officer being appointed to a role as a Barnstaple based Surveyor.
- The loss of so many employees represents a significant risk to NMD's reputation and our customer's perception of our service and our ability to deliver it.
- The use of agency staff is expensive and will not be perceived well by our customers as they seek continuity, prefer to deal with familiar professionals and desire a consistent approach.
- Potential loss of further professional Surveying Staff & Technical staff will render the Partnership unworkable and unable to function.

2.7 Short Term Measures, Structure, Recruitment & Retention

Since July we have employed two agency Surveyors who have provided some relief to employed team, however, using temporary contractors is not sustainable due to the cost.

Our clients will also not tolerate the prolonged use of agency Surveyors.

Funding has been granted to employ a further two agency Surveyors.

The service of a further surveyor have been secured on he started with us 17th October 2022.

The agency market is also challenging and Surveyors are in short supply and we are still searching for a further agency Surveyor.

We are therefore continuing to function at an under resourced capacity of three surveying staff and two technical positions.

The funding for the agency provision will last until the middle of January 2023.

2.8 Market Supplements & Charging Review

Market supplements are currently being considered.

These are essential to retain and to attract new staff.

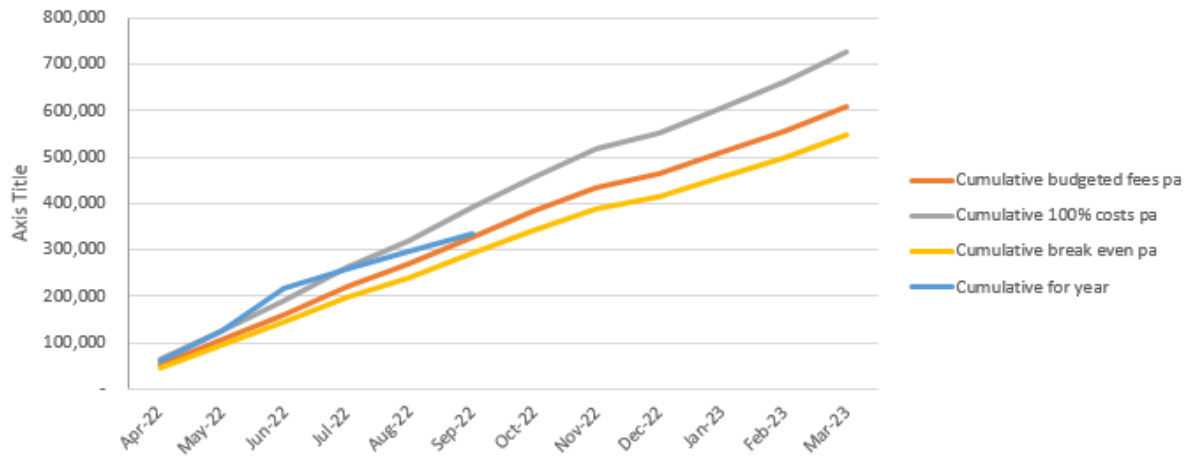
This process is being undertaken directly in line with a review of our charges.

2.9 Building Safety Regulator

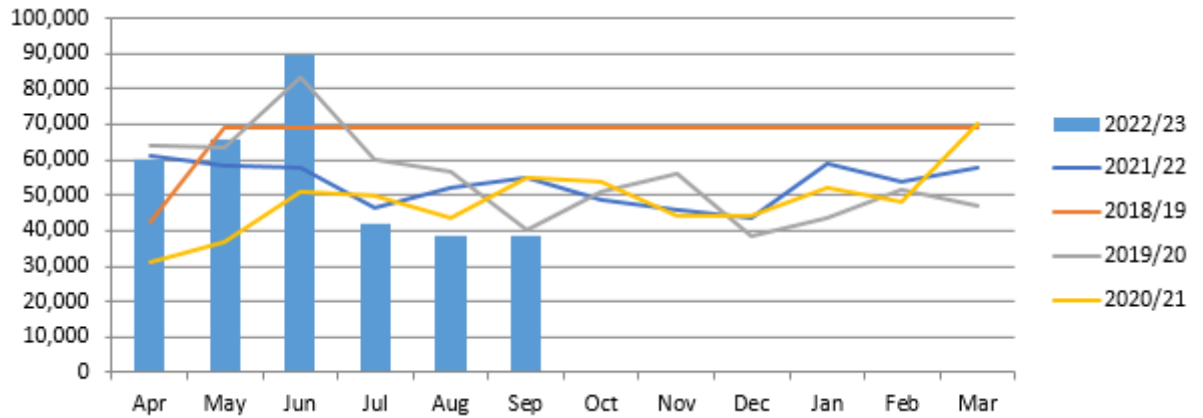
- Validation training continues for the three remaining employed Surveyors.
- Our Principal and Acting up Principal have completed the first half of the training with one having completed the Level 6 Fire Safety Course and the other having completed the Level 6 Legislative Competence Course.
- Both Surveyors are awaiting results.
- The two Surveyors have already switched courses with a view to both having achieved Level 6 in Fire Safety and Legislative competence by the end of January 2023, with final results being published by the end of March 2023.
- The demands of this process remain high with each cohort being required to attend lectures for 11 weeks with one full days training on a working week day.
- Each cohort requires 200 hours learning time within the 11 week period with a deadline assignment set at the end of each Cohort.
- The remaining employed Building Surveyor is continuing with his Level 5 qualification and the demands of this course are similar to those set out above for Level 6.

- The Building Control trainee has been accepted by Wolverhampton University and will commence his Level 5/6 Building Control qualification.
- This training and qualification will be funded by the training lelee and will commence in January 2023.

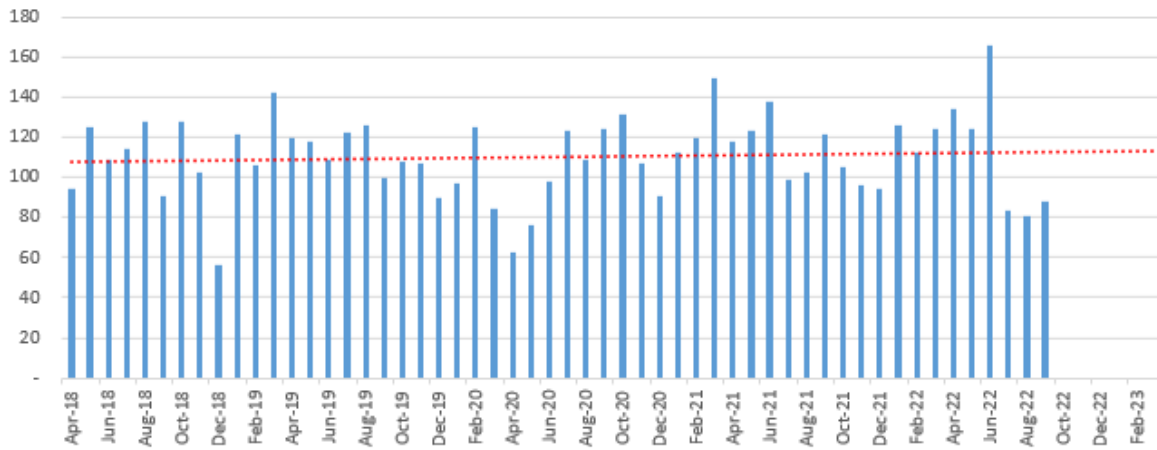
Cumulative Income



Income Per Month

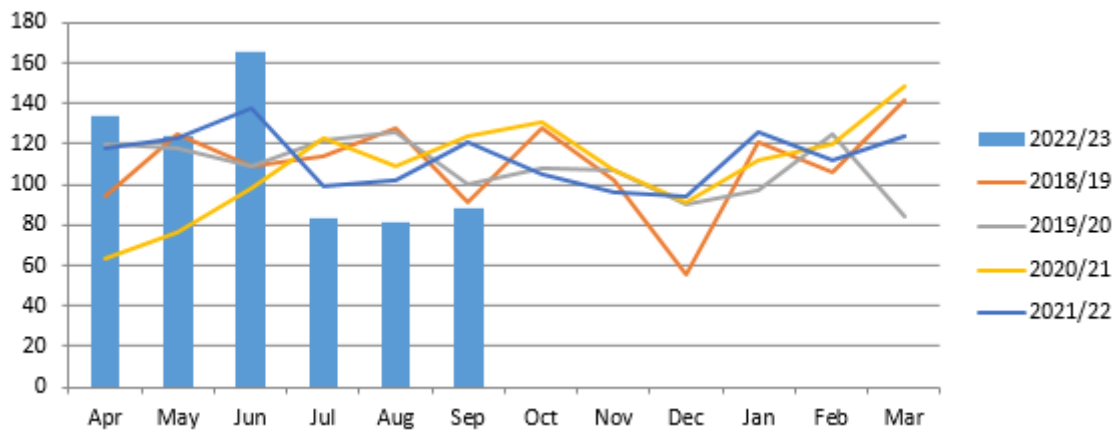


Total Applications



Applications Per Month

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