



# COTSWOLD DISTRICT COUNCIL

Council name	<b>COTSWOLD DISTRICT COUNCIL</b>
Name and date of Committee	<b>CABINET - 10 FEBRUARY 2020</b>
Report Number	<b>AGENDA ITEM 8</b>
Subject	<b>BUILDING CONTROL SERVICE UPDATE</b>
Wards affected	All
Accountable member	Cllr Andrew Doherty Cabinet Member for Waste, Flooding and Environmental Health Email: <a href="mailto:andrew.doherty@cotswold.gov.uk">andrew.doherty@cotswold.gov.uk</a>
Accountable officer	Matthew Kirby Business Manager - Environmental and Regulatory Services Tel: 01993 861647 Email: <a href="mailto:matthew.kirby@publicagroup.uk">matthew.kirby@publicagroup.uk</a>
Summary/Purpose	To provide Members with an assurance update following recent service performance issues
Annexes	None
Recommendation	<b><i>That, subject to any observations and/or comments from the Cabinet, the report be noted.</i></b>
Corporate priorities	Ensure that all services delivered by the Council are delivered to the highest standard.
Key Decision	No
Exempt	No
Consultees/ Consultation	N/A

## 1. BACKGROUND

- 1.1. During consideration of the Summary Finance/Service Performance Report for 2019/20 Quarter Two, concerns were raised by the Cabinet about KPI ERS 8 (PSH 4) Percentage of full plans Building Regulations applications vetted within 21 days of deposit.
- 1.2. The objective of this report is to provide some further context and assurance that plans are in place to mitigate any risks.

## 2. MAIN POINTS

- 2.1. Performance of ERS 8 (PSH 4) - Percentage of full plans Building Regulations applications vetted within 21 days of deposit - is shown below:

Q3 2018/19			Q1 2019/20			Q2 2019/20			Q3 2019/20		
Value	Target	Status	Value	Target	Status	Value	Target	Status	Value	Target	Status
88.6%	85%	Green	72.92%	85%	Red	43.9%	85%	Red	86.7%	85%	Green

- 2.2. Performance for ERS 8 during 2018/19 remained on target, but performance during Quarter 1 and 2 of 2019/20 has been poor. Since the beginning of the year the service has been trying to fill a vacant building control surveyor post. This reduction in capacity has ultimately impacted upon performance in this area, as the team have focused on the front line delivery of fee earning inspections.
- 2.3. The vacant post was filled in November and the team is now refocusing on this KPI. Performance has subsequently improved and the Quarter 3 performance has exceeded target. The Business Manager reviews performance with the Service Leader on a monthly basis and is confident that this performance target will continue to be met in future.
- 2.4. Recruitment has proved challenging for qualified building control surveyors. Market competition from private approved inspector companies and other local authorities remains a constant threat. The business manager and service leader are actively working with colleagues in recruitment to ensure employment packages remain competitive.
- 2.5. ERS 8 is currently being reviewed, as feedback from customers indicates that a 21 day vetting does not influence customer satisfaction, repeat business, market share or income. The service is currently reviewing the KPIs to ensure they reflect business and customer needs.

## 3. MARKET SHARE AND FINANCIAL PERFORMANCE

- 3.1. The building control service operates in a commercially competitive market against private approved inspectors (AIs). ERS 7 (PHS 3) Percentage of Market Share retained by Building Control remains above target (50%). Market share average over 2018/19 was 60.2%. So far this year, the market share average is 58.1%.

3.2. Over the last 5 years market share has dropped from 66.1% to the current performance of 58.1%, which represents a loss of 8% market share. The service remains committed to growing its market share, as outlined in section 4 below.

3.3. Although the above loss of market share has taken place, income levels have increased by 2.4% - from £284,058 in 2014/15 to £290,865 in 2019/20 (profiled for the current financial year end). This has partially been the result of increased fees but also the development of partnership agreements with architects, agents and developers.

3.4. These figures should be considered against the expenditure of the service shown below:

	Expenditure (Staff Costs + Direct Expenditure)*	Profiled Income	Operational Surplus	Budgeted Income
2019/20	£191,172	£290,856	<b>£99,684</b>	£328,000

\*The expenditure has been calculated based upon the cost recoverable Fee Earning element of the service which equates to 80% of the total expenditure of £238,965. The remaining statutory non fee earning element includes:

- Dangerous Structures
- Service Requests – advice and quotation preparation.
- Initial notices
- Final Certificates
- Competent Persons Register
- Demolition Notices
- Land Charge Searches and FOI requests

3.5. Although the service does not currently meet its budgeted income target, the operational surplus created provides a significant contribution towards indirect corporate on costs.

3.6. The business manager is currently working with the Chief Accountant to set the proposed income budgets for 2020/21. Through reductions in direct service expenditure, it is hoped that the service will achieve a more realistic reduced income target whilst maintaining the same overall net budget position.

#### 4. COMMERCIAL DEVELOPMENT

4.1. The development of market share remains a significant challenge. The service continues to follow the shared Building Control Marketing Plan 2018-2020, and so far this year has sent out 132 marketing letters to planning applicants.

**4.2.** In 2019, the service received satisfaction responses from 26 customers. Service users were chosen at random and contacted by telephone for feedback. Customers were asked whether they were fully satisfied, partly satisfied or not satisfied with the service. Although it is acknowledged that this is a small sample size, 100% of the responses indicated that they were fully satisfied with the service. It is proposed that more comprehensive user research be undertaken as part of the review detailed below.

**4.3.** Working alongside the Resource, Data and Growth team it is proposed that the business manager will undertake a review of the Building Control service. The report will seek to review current levels of resourcing with a focus upon the commercial development of the service and the production of a refreshed marketing plan. The report is planned to be published in September 2020.

## **5. FINANCIAL IMPLICATIONS**

**5.1.** None other than as set out in this report.

## **6. LEGAL IMPLICATIONS**

**6.1.** None

## **7. CLIMATE CHANGE IMPLICATIONS**

**7.1.** Although this report does not recommend any changes to service level provision, it is worth noting that the work carried out by the service does impact positively upon the Council's Climate Change emergency priority. Examples include ensuring insulation standards are high, water usage is controlled, windows are energy efficient, and that adequate energy efficiency is achieved (i.e. SAP ratings on new buildings).

## **8. RISK ASSESSMENT**

**8.1.** Not applicable.

## **9. ALTERNATIVE OPTIONS**

**9.1.** Not applicable.

## **10. BACKGROUND PAPERS**

**10.1.** None, other than previously-published reports.

(END)