

HARBOROUGH DISTRICT COUNCIL

REPORT TO THE CABINET MEETING OF 4TH July 2022

PUBLIC REPORT: Y / N

EXEMPT REPORT: Y / N

Report Title	Update on Performance of Harborough Building Control Service operating within The Leicestershire Building Control Partnership
KEY DECISION	No
Report Author	Julian Howarth – Leicestershire Building Control Manager and David Atkinson -Director of Planning and Regeneration
Purpose of Report	To provide and update on the Performance of the Building Control service operating within the Leicestershire Building Control Partnership.
Reason for Decision	That the Cabinet notes the ongoing performance of Building Control operating within The Leicestershire Building Control Partnership as set out in the body of this report.
Portfolio (holder)	Cllr Jonathan Bateman: Portfolio Holder - Planning, Environment and Waste
Corporate Priorities	The Building Control section contributes to and has a key role in delivering the Council's Principal area: "Environment and Sustainability". Priority 3: Creating a sustainable environment to protect future generations CO16: The environmental impacts of growth are mitigated as far as possible.
Financial Implications	The budgeted monthly income target for 21/22 was £24,071. An average monthly income of £29,166 was achieved despite the difficult trading conditions that have been placed before the BC service throughout this hostile trading period. See paragraphs 5.0 to 5.8 below for more details.
Risk Management Implications	There are no new risk management implications to include within this report. A revised and generic Partnership Risk Register is updated on a quarterly basis and will be overseen and managed through the Building Control Partnership Management Board. See paragraphs 7.0 to 7.2 below for more details.
Environmental Implications	None
Legal Implications	The existing Inter- Authority Legal Agreement came into effect on 1 st April 2018 for three years. It was extended by Cabinet on 6 th July 2020 for a further two years after gaining approval from the Cabinet. The original shared Partnership arrangements were due to run until April

	2023.The Harborough District Council service was delegated over to Blaby DC operation, within the Leicestershire Building Control Partnership, from 1 st April 2022 following approval by Cabinet. See paragraphs 4.0 to 4.2 below for more details.
Equality Implications	There are no equality implications in relation to this report.
Data Protection Implications	General Data Protection Regulation (GDPR) regulations have been followed throughout the preparation of this report
Consultation	There is nothing that requires Consultation in this report.
Options	This report is an update on an existing contractual arrangement.
Background Papers	Report to Executive - 12 February 2018: Provision of Building Control Service. Report to Executive - 3 rd Dec 2018: Review of Building Control Partnership with Blaby DC. Report to Cabinet - 1st July 2019: Update of performance Building Control Partnership with Blaby DC. Report to Cabinet - 6th July 2020: Update of Building Control Partnership with Blaby DC and extension of Legal Agreement to April 2023. Report to Cabinet - 5 th July 2021: Update on performance Building Control Partnership with Blaby DC Report to Cabinet - 29 th November 2021: Business case for Delegation of the Building Control Service to Blaby District Council
Recommendation	<ol style="list-style-type: none"> 1. That Cabinet notes the ongoing positive performance of the Leicestershire Building Control Partnership. 2. That the Leicestershire Building Control Partnership Management Board continue to monitor and report on the performance of this Partnership in accordance with the agreed terms and conditions of the delegation agreement dated 1st April 2022.

1. Introduction

- 1.1 This report has been prepared to provide a further update on the performance of the Harborough Building Control section working within the Leicestershire Building Control partnership following on from the previous Cabinet update report dated 5th July 2021.This performance report will be the last report produced under the shared service arrangement due to the fact that the Harborough Building Control service and its associated staff now operate within the Leicestershire Building Control partnership under a delegated service model which commenced on the 1st April 2022.

2. Key Facts and Background

- 2.1 The scope of the Building Control Service is primarily to process applications for Building Regulations approval, providing guidance and enforcing minimum building standards. The workload is split into two areas as follows:
- Building Control fee earning work; and
 - Statutory, non-fee earning services.
- 2.2 The introduction of Approved Inspectors (AIs) who are private sector service providers has created a challenging market for Building Control services resulting in local authorities across the Country experiencing a significant reduction in market share and fee income.
- 2.3 In addition most Councils had found it challenging to fill their vacant Building Control Surveyor Posts with many finding it necessary to employ expensive agency staff which can significantly add to the running costs of the service. This scenario has meant that, prior to entry into the Partnership the delivery of the Building Control Service has been unsustainable due to the Service seeking to operate on a cost recovery basis.
- 2.4 The Building Control Partnership initially formed with Blaby District Council has been in operation since 1 April 2018. This enabled the delivery of a more robust, resilient and competitive Building Control service that is able to operate more efficiently in an increasingly competitive environment.
- 2.5 When the Partnership was initially formed there were only two partnering Councils: Blaby DC and Harborough DC. Due to the continuing success of this initial partnership a further four Councils have now joined the partnership which comprise Oadby and Wigston Borough Council, Hinckley and Bosworth Borough Council, Melton Borough Council and Rutland County Council.
- 2.6 The report now turns to the continuing key benefits of being a member of the Leicestershire Building Control Partnership and the successes achieved during last 12 months.

Continuing Key benefits of Membership of the Leicestershire Building Control Partnership

- 2.7 **Table 1** below sets out the status of the continuing key benefits being delivered for the Council's Building Control Service through being members of the Leicestershire Building Control Partnership (in a Red, Amber, Green: RAG rated format).

Category	RAG Status
Income	Green
Marketing Measures	Green
Expenditure Reducing Measures	Green

Recruitment and Retention	Green
Training/Succession Planning	Green
Staff Sharing	Green
Quality Assurance and Audits	Green
Customer Service Levels and Complaints	Green

- 2.8 More detail is now provided below on the main key benefits to the Harborough Building Control Service derived from being shared service members of the Leicestershire Building Control Partnership.

Income

- 2.9 Covid 19 issues continued to be managed throughout the year and the Building Control service continued a full-service provision for the benefit of customer and the Building Control business. Removal of stamp duty relief, interest rate rises along with National Insurance increases and surging inflation will have had an adverse impact on Building Control income levels to a certain extent. The ongoing worldwide events in addition to very increasing high energy costs have exacerbated an already difficult trading arena. Despite these ongoing issues Harborough Building Control was the highest fee earning section within the Partnership in 2021/22. This is being achieved even though the Service is continuing to operate with less staff than in previous years. All staff members are routinely encouraged to proactively market the Building Control Service at every opportunity and marketing activities are continuing. Income targets for 21/22 were set at £24,071 per month. Despite difficult trading conditions as noted previously, Harborough Building Control has still managed to bring in An average of £29,166 per month in fee income. This aspect continues to be shown as Green status in Table 1 above.

Marketing measures

- 2.10 Harborough Building Control continues to have the benefit of its own Business and Marketing Officer. This post has been instrumental in establishing and galvanising the success of the Harborough Building Control Service within the Leicestershire Building Control Partnership. The post holder leads a programme of innovative and imaginative marketing activities and both they and other staff members have contributed to this process by undertaking the following tasks:
- Writing to those customers that are using the Council's Planning services and promoting the benefits of the Council's Building Control Service;
 - Treating every face-to-face customer and telephone interaction or electronic communication received as a golden opportunity to market the Building Control service, where appropriate;
 - Promoting the Council's Building Control service over private sector external service providers, subject to fair competition laws;
 - Encouraging planning and other officers of the Council to promote the Building Control service when dealing with their own service users; and providing those officers with the wherewithal and understanding to be able to do this;

- Using the Marketing activities and measures available from Local Authority Building Control (LABC) to support the marketing strategy;
- Entering the LABC annual Awards;
- Regularly updating the Council's Building Control Web pages;
- Proactively contributing to the Building Control Partnership Marketing and Communications measures;
- Promoting the receipt of Building Control applications by telephone, where appropriate;
- Assisting with the branding and procurement process for the proposed Partnership's website;
- Proactively marketing the Building Control service at Continuing Professional Development (CPD) and other networking opportunities and events;
- Contacting potential service users via telephone with a view to promoting the Building Control service;
- Responding to customer feedback forms and using them to shape future customer focussed service delivery; and
- Keeping an overview on what our competitors do and responding accordingly when appropriate to do so.

This aspect continues to be Green status in Table 1 above.

Expenditure reducing measures

- 2.11 Whilst continuing to work within the Partnership, the Council's Building Control Service has endeavoured to look at further ways to reduce its costs whilst at the same time endeavouring to grow income levels and compete for more work with the same or less staff. In addition, the Council's Building Control Service is consistently providing a high level of quality customer service, coupled with minimal service complaints.
- 2.12 In seeking to maintain and reduce operational costs, the following expenditure reducing measures are continuing.
- Sharing staff costs equally for the Building Control Partnership Manager and Team Leader across the 6 Council's working within the Leicestershire Building Control Partnership;
 - Only employing permanent staff as opposed expensive agency staff;
 - Encouraging the use of Channel Shift where possible to help our customers to self-serve;
 - Encouraging other Councils to join the Partnership that should result in further reductions in costs as other Councils contribute to and share management costs;
 - Positively contributing to the Council's Budget Challenge 25 initiative to reduce expenditure or grow income levels where appropriate do so. Note this then led to supporting the positive case of delegating the service over to Blaby District Council with a view to achieving further efficiency savings
 - Management costs also reduced again when Rutland County Council joined the partnership on the 1st July 2021;
 - The proposals and options including progressing the development of a business case for the Delegation of the Harborough Building Control

service over to the Leicestershire Building Control Partnership (led by Blaby District Council) came to fruition on the 1st April 2022. This was done so as to try and bring about further operational efficiency savings and cost reductions in delivering Building Control Services across all partners in the Leicestershire Building Control Partnership.

This aspect continues to be Green status in Table 1 above.

Recruitment and Retention

- 2.13 Until May 2018, most of the Council's Building Control Surveyor posts were filled by agency staff. This had been the case to a greater or lesser extent since at least 2015/16. This led to regular overspends against the approved budget.
- 2.14 Since May of 2018 no agency staff have been employed in the Harborough District Council Building Control Service. Given the known shortage and difficulties in recruiting Building Control staff throughout the country this is recognised as being a major achievement by members of the Partnership and neighbouring Councils including agency staff providers themselves.

This aspect continues to be Green status in Table 1 above.

Training/Succession planning

- 2.15 In recognising the shortage of qualified Building Control Surveyors and the high cost associated with the use of Agency Surveyors, the Partnership has continued to invest for future succession planning. This is being pursued in two ways:
- Training up our own administration/technical staff to become Building Control Surveyors; and
 - To look positively at taking on another apprentice for the benefit of the Partnership.
- 2.16 Any apprenticeship qualifications will be part funded through the Apprenticeship Levy and Kick Start programme. If Apprentices are taken on at Harborough, then this should be viewed positively and holistically as an "invest to save" type investment. One of the Building Control admin staff at Harborough DC has commenced a course of training over the last year that will eventually lead to and facilitate future career progression through to them becoming a Building Control Surveyor, which accords fully with the strategy to invest in our staff and "grow our own surveyors". This staff member is successfully continuing with her training. Note as from the 1st April 2022 all Harborough staff have been 'TUPE'd' over to the employment of Blaby District Council as the lead Council of the Leicestershire Building Control Partnership. Any future apprentices would be employed by Blaby District Council on behalf of the partnership.
- 2.17 The Leicestershire Building Control Partnership has also formulated a staff retention and recruitment plan to cover for anticipated skills and recruitment challenges over the next few years which is currently being given effect to.

This aspect continues to be shown Green status in Table 1 above.

Staff sharing

- 2.18 The Partnership has continued to increase staffing resilience across the partnership through staff sharing and providing additional staff support in times of heavy workloads or peak holiday demands. This is continuing to take place, but this will be made easier to facilitate when all Councils operate from one IT operating database system.
- 2.19 The Partnership continued to share staff between partner Councils, including the Team Leader and Partnership Manager. When Rutland County Council joined the partnership on the 1st July 2021 further efficiency savings were achieved through being able to deploy a greater 'critical mass' of personal across the partnership where it is needed and at any level required to maintain optimum levels of service delivery. Thereby further increasing the resilience of the partnership in the face of stern competition from the private sector.

This aspect continues to be Green status in Table 1 above.

Quality Assurance and Audits

- 2.20 Harborough DC, as with the other five current partner Councils continue to be participating members of the Local Authority Building Control (LABC) quality assurance and accreditation scheme along with its auditing processes. Apart from the benefits that this will bring to the individual services in terms of working practices and the general day to day operation of the service, it can also be used as a marketing tool in that it demonstrates to our customers that we take quality assurance and customer care matters seriously and that we are regularly audited and open to scrutiny.
- 2.21 Following on from the findings of the Grenfell Tower fire incident and subsequent enquiry and supporting investigations it is well documented that Building Control providers will be subjected to more auditing and scrutiny regarding the way they deliver their services. Being participating members of the LABC quality assurance scheme will also help us to adapt our services and help to comply with these anticipated additional future service delivery requirements.
- 2.22 In addition to having the benefits of LABCs quality assurance accreditation, all partner Councils will be working towards having registered Building Control officers in place by late 2023 and early 2024 as required by the Building Safety Act 2022. This will be put in place by the management structure of the newly delegated, Leicestershire Building Control Partnership over the course of 2022 and 2023.

This aspect continues to be Green status in Table 1 above.

Customer Service Levels and Complaints

- 2.23 Having a flexible in-house staff resource, provides additional assurance to our customers, as Building Control service customers do not want regularly changing agency staff attending their developments to undertake the Building Control functions on their valued proposals.

- 2.24 Excellent customer service and response times are being acknowledged by our service users and, overall, service complaints across the partnership are minimal for 2021/22.
- 2.25 Harborough Building Control service has, once again, received no service complaints during the 2021/22 year as members of the Leicestershire Building Control Partnership.

This aspect continues to be Green status in Table 1 above.

3.0 Performance Monitoring

- 3.1 A joint service plan has been produced and accepted by all Partner Councils, which is updated when required. Detailed performance statistics are now prepared by each partner council and scrutinised by the Building Control Management and Governance Board, on a quarterly basis. This has continued to be the case throughout 2021/22.
- 3.2 Partnership terms of reference, performance statistics along with an updated risk register have been jointly agreed in respect of the governance of the Partnership moving forwards. These are being continually updated as and when required and those updates are considered by the management and governance board members. Performance reporting will still take place concerning the delegated service from April 2022 onwards.
- 3.3 A Partnership-wide Service Plan, marketing and communications plan together with associated strategies are continually being developed to shape and drive the Partnership moving forward. This will continue to be the case operating under the delegated service model from 1st April 2022 and onwards.
- 3.4 Rebranding of the existing Partnership occurred using the skill set of the partner Council's communications teams and their valued connections with external consultants. Measures were put in place to provide the Partnership with its own logo and website along with associated Web domain.
- 3.5 The Partnership continues to be known as the Leicestershire Building Control Partnership. It was previously recognised that a joint partnership website and comprehensive branding and subsequent marketing of the partnership could only fully happen when all Councils agreed to the benefits of having joint fee charges in place for the services that each Council offer. This fee alignment process across all Partner Councils was implemented from the 1st April 2021. Over the last 12 months work has also progressed on all sorts of matters associated with the delegation of the Harborough Building Control service over to Blaby District Council. As mentioned previously this delegated service has been successfully operating since 1st April 2022.
- 3.6 The existing Inter-Authority agreement between Harborough and Blaby has now of course been superseded by a newly drawn up legal agreement to cover off operations as a delegated service.
- 3.7 All Partnership Councils fully recognise that each Council were at different stages of business development, with each Council having its own strengths

and weaknesses. However, it must be fully acknowledged that whilst there are further work areas still to progress, whilst operating as a delegated service since 1st April 2022, each of the Building Control services operating within the Partnership have already been successfully assimilated. In the light of this there are now opportunities to bring about further income level growth and efficiency savings as the delegated service develops further.

- 3.8 Harborough Building Control's overall market share was 59% for 2021/22. It is anticipated that this market share will increase, alongside income levels and ongoing cost reductions, as the Partnership develops further in the years ahead combined with a united and comprehensive marketing approach and strategy. The fee changes and alignments implemented on the 1st April 2021, along with inflationary increases introduced on the 1st April 2022, should also help to grow income for the Partnership as a whole, which should help to further reduce expenditure costs for Harborough District Council in the form of lower contributions from the general fund to support the service as delegated over to Blaby District Council as part of the Leicestershire Building Control Partnership.

4.0 Legal Implications

- 4.1 The Local Government (Goods and Services) Act 1970 allows local authorities to enter into agreements to provide certain technical, professional, or administrative services to other local authorities. Blaby District Council is providing Building Control Services to Harborough District Council under this provision, under an Inter Authority Agreement.
- 4.2 The first legal agreement came into effect on 1 April 2018 and the agreement remained in force for a period of three years from 1 April 2018. It was then extended until 1st April 2023 after gaining Cabinet approval in a report presented on the 6th July 2020. This former legal agreement has been superseded by a new legal agreement, which enables the operation of a delegated service model and this agreement has been in operation since the 1st April 2022.

5.0 Financial Implications

- 5.1 Despite the adverse effects of Covid 19 and other negative ongoing issues as noted in paragraph 2.9 above, affecting the UK economy, the Harborough District Building Control has remained open for business and at no point did it stop trading or cease to provide any of its services during the various lockdowns that have occurred during 2020 and 2021. Harborough Building Control brought in £29,166 fee income per month on average through the 2021/22 year, which is substantially more than the target and budgeted figure required.
- 5.2 As part of Harborough Building Control's contribution to the Councils BC 25 initiative; Building Control have positively contributed and supported this process in the form of maintaining and increasing income levels. Operating under a delegated service should now enable positive income levels to be maintained or grown, additional income is anticipated from both delegation of the Building Control service to Blaby District Council as lead partnership authority, and also through giving effect to the new fees and charges structure that was implemented in April 2021 at all Leicestershire Building Control Partnership councils.

- 5.3 The stated and anticipated overall future cost reductions mentioned in last year's report for 20/21 in running the Harborough Building Control service in respect of Rutland Borough Council joining the Partnership from 1st July 2021 are now taking effect as they are another contributor of income and another Council that will share costs with the other Councils.
- 5.4 Future Partnership business-modelling proposals over the coming months/years will also seek to grow income levels and further reduce expenditure levels for all Councils within the Partnership. The last performance report for 2020/21 stated that for this to happen the service needed to be delegated over to Blaby District Council. As stated previously, this has now happened after the Harborough District Council Cabinet gave approval for it to take effect from the 1st April 2022.

Table 2: Savings Achieved 2018/19 – 2021/22 by the Harborough District Council Building Control Service through being members of the Partnership

	2018/ 19	2018/ 19	2019/ 20	2019/ 20	2020/ 21	2020/ 21	2021/22	2021/22	Savings in costs and increases in income
	£	£	£	£	£	£	£	£	2021/22 v 2018/19
	budget	actual	budget	actual	budget	actual	budget	actual	£
Direct Costs	442,490	351,002	389,925	335,423	377,420	370,144	374,900	422,237	-20,253
Income	313,574	264,905	281,899	292,850	288,850	275,741	308,844	349,997	+36,423
Net Direct Costs	128,916	86,097	100,026	42,573	88,570	94,403	66,056	72,240	-56,676

- 5.5 As can be seen in Table 2 above, actual overall net direct running costs to run the Harborough Building Control service for the year 2021/22 have reduced from £94,403 in 2020/21 down to £72,240 therefore achieving a total saving of £22,163. This is due to an increase in income levels received. Delegation one off implementation cost of £32,000 are included in this figure as a one-off cost which has been added to the actual total direct costs for 21/22. This has had the effect of reducing potential total budget savings from £54,163 down to the final cost saving figure of £22,163, as noted in Table 2 above, which is a positive outcome.
- 5.6 It is expected that the efficiency savings noted in Table 2 above, will be maintained and further improved as the Partnership develops as a delegated service.
- 5.7 The dangerous building call-out cover that Leicester City Council were previously providing for Harborough District Council, and charged for, continued to be delivered by the Council in-house in 2021/22. Annual savings of £5,200

per year were being achieved. Moving forwards, all six Partner Councils will be reducing their expenditure in providing a dangerous building call-out service that will be delivered by the Leicestershire Building Control Partnership at an overall reduced expenditure rate.

- 5.8 Evolution and innovations in the way that the Partnership business model operates from 1st April 2022, under a delegated model, will be continually discussed and explored at future Partnership Management Board meetings that will take place every 6 months. The overall aim being to improve and refine the effective operation of the Partnership and thereby achieve further overall efficiency savings for all the partner councils. Any significant changes that will affect income levels will always be reported back to management board.

6.0 Equality Implications

- 6.1 There are no equality implications in relation to this report.

7.0 Risk Management Implications

- 7.1 There are no new risk management implications to include within this report.
- 7.2 A revised and generic Partnership Risk Register is updated on a quarterly basis and continues to be over-seen and managed through the Partnership Management Board. This register will also be updated and revised should any further risks or significant adverse business-related issues become apparent that need to be addressed, acted on, and managed.

8.0 Environmental Implications

- 8.1 None, as this is an update report of existing working arrangements.

9.0 Consultation

- 9.1 There is nothing that requires Consultation in this report.

10.0 Options

- 10.1 This report is a final update on a former shared service contractual arrangement.

11.0 Background Papers

Previous report(s):

- 11.1 Report to the Executive dated: 12 February 2018: Provision of Building Control Service.
- 11.2 Report to the Executive dated: 3rd Dec 2018: Review of Performance: Building Control Partnership with Blaby DC.
- 11.3 Report to Cabinet dated: 1st July 2019: Update of Performance: Building Control Partnership with Blaby DC.

- 11.4 Report to Cabinet dated: 6th July 2020: Update of Performance: Building Control Partnership and extension of legal agreement with Blaby.
- 11.5 Report to Cabinet dated 5th July 2021: Final update of Performance: Building Control Partnership prior to transfer over to the Leicestershire Building Control Partnership.
- 11.6 Report to Cabinet - 29th November 2021: Business case for Delegation of the Building Control Service to Blaby District Council

12.0 Recommendations

- 12.1 That Cabinet notes the ongoing positive performance of the Harborough Building Control Service operating within the Leicestershire Building Control Partnership.**
- 12.2 That the Leicestershire Building Control Partnership Management Board continue to monitor and report on the performance of this Partnership in accordance with the agreed terms and conditions of the delegation agreement dated 1st April 2022.**