
Building Control Shared Service – Supporting Information

1. Background

- 1.1 Prior to 1985 Local Authority Building Control Services had full and sole responsibility for granting approvals under the prevailing building control provisions. The purpose of which was to ensure buildings were constructed in a safe and compliant manner.
- 1.2 From 1985 the provisions of the Building Act 1984 permitted the private sector i.e. those designated as 'Approved Inspectors' (AI) to undertake this work in competition with local authorities. Initially this was the provision of building control on new build houses and later commercial and industrial premises. The result of these changes was a significant amount of competition for Local Authority Building Control Services with most commercial and much the new build being lost to the AI regime. As a result of the 2008 recession AI's have made moves into the market dealing with works on existing domestic properties. This had formally been seen as less lucrative.
- 1.3 There are number of important factors that impact the competitive ability of the local authority service
 - (1) Local Authorities are required to publish their building control fees – the private sector is not
 - (2) Local authorities must accept any valid application within its district – the private sector may pick and choose the work they engage with, hence there is less interest from them in the alterations to domestic premises area as it is generally less lucrative.
 - (3) A local authority may only compete for work within its district – the private sector may work anywhere.
- 1.4 Nevertheless the local authority still has a statutory obligation to provide a Building Control Service. The Service now functions under two broad headings of chargeable and statutory although in reality all its work has a basis in law and it at all times remains the enforcement body. The chargeable work consists of fee paying applications for consents under Building Regulations - often referred to as Building Control Consultancy. This is the part of the service that competes with AI's. The second area of work – often referred to as the 'statutory functions' are funded from general revenue and consist primarily of dealing with reports of dangerous structures, demolitions and notifications from AI's of works they are certifying. The former in effect ensures that we have a core group of surveyors and infrastructure to provide the latter. – enforcement for both work controlled by LA and that controlled by private sector
- 1.5 Unlike the approved Inspector regime Local Authority building control consultancy services have to be cost neutral over any given three year cycle whilst trying to

compete with those operating in a commercial environment and able to make profits. This means that all internal re-charges have to be built in to the final fee basis.

- 1.6 Another challenge faced by LA services is recruitment and retention. This is caused primarily by the competition from the private sector in a market where there is a significant shortage of Building Control Surveyors and consequently wage competition has tended to mean that LA services have struggled to recruit. This has been compounded by a lack of investment in a 'grow your own' policy to improve the position as well as not having sufficiently 'flexible' salary structures to compete. In West Berkshire this has meant the Council has carried two vacancies out of five field staff at significant additional costs in agency fees. To give some idea of scale, almost the entire salary saving of the Building Control Manager vacancy has been spent on the additional cost of employing agency staff.
- 1.7 The loss of the Building Control Manager to a neighbouring authority in July 2015 has however given an opportunity to consider a new model of delivery under a four authority Shared Service provision.

2. Supporting Information

- 2.1 In April 2015 Wokingham Borough Council entered into a shared building control service with the Royal Borough of Windsor and Maidenhead. Shared service's for Building Control exist all over the country and, driven by market forces, are fast becoming the norm.
- 2.2 An opportunity has now arisen for us to join the Wokingham / RBWM shared service. This would create a new service covering a population of some 470K with all the potential that that would present.
- 2.3 The case for a shared service is strong and the potential for service development stronger still. The major benefits include: the ability to carry out effective marketing of the service; better recruitment and retention through enhanced career opportunities; lack of borders and consequently cross border competition; the ability to develop areas of expertise and the scope for training of new staff and development of existing staff. All of these allow the service to compete. However the key competitive gain is the reduction in management and other overheads which allows in turn for a more competitive pricing structure. Any perceived loss of accountability can be maintained through a robust governance structure and contractual position which can also be used to ensure the Council maintains expertise and control
- 2.4 The case for remaining as a stand alone unit is relatively weak. It means higher overheads and consequentially a lost competitive position. The possibility of an improved recruitment position, whilst not guaranteed under a shared service, is significantly weakened and where this fails the ability to train new surveyors is also weakened because of the low staff numbers unable to dedicate time to this.
- 2.5 As can be seen from the Business Case the proposed 3-way shared service would not cost West Berkshire Council any more than the existing service and in the initial period of five years existing re-charges would still be maintained. Longer term these will be reduced as costs transfer to Wokingham and economies of scale lead to reduce overheads.

- 2.6 In terms of day-to-day delivery it is anticipated that the new 3-way service would continue to have a local base in the Council offices in Newbury and the associated costs would be met under the shared service re-charge arrangements. This would maintain a point of contact in the West of the County and lessen the impact on current staff whilst leaving them of part of a larger more resilient organisation.

3. Options for Consideration

- 3.1 West Berkshire Council is currently engaged as host in two successful shared services with Wokingham Borough Council; Trading Standards and Environmental Health managed through an effective joint governance.
- 3.2 There are a number of options that could be considered. Firstly there is the option of staying as a stand alone service. This is not seen as desirable for all the reasons set out above. This would also involve the need to look at how we deal with the existing recruitment and retention issues as the current agency spend is unsustainable without putting up the fees and damaging competitiveness. If we were not to replace the manager like-for-like then a different model could be considered that may reduce some overhead but it would still not deal with some of the other issues that the service faces.
- 3.3 Finally there is the option of considering alternative delivery models such as a staff mutual through a company structure. However given the immediacy of the challenge and the fact that any such model is likely, if developed, to need to be based on a larger unit this is an option more appropriate to a Shared Service Governance Board to put forward for consideration by the member authorities in due course.

4. Proposals

Contract

- 4.1 It is proposed that with effect from the 1st July 2016 West Berkshire Council enters into a 3-way Shared Building Control service with Wokingham Borough Council, and the Royal Borough of Windsor and Maidenhead, hosted by Wokingham Borough Council.
- 4.2 The initial term of the arrangement will be for 5 years with one year's notice to be given to terminate. The governance will be through a Joint Service Board which will consist of Member representation from each authority party to the agreement.
- 4.3 It is proposed that the existing staff employed within the West Berkshire Council Building Control Consultancy will transfer under the provisions of the regulatory framework set out in the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). This equates to 2 FTE Team Leaders, 3 FTE Building Control Surveyors and 2.2 FTE Technical Support Staff. The 2 FTE vacant Surveyors posts would be deleted (as these will need to be recreated by Wokingham) along with the Building Control Manager post.
- 4.4 In terms of governance the Executive Member in whose remit Building Control falls will have a place on the Joint Service Board. The delegated and contract responsibilities for West Berkshire will remain with the Head of Culture and Environmental Protection as set out in the Scheme of Delegation.

Discharge of function

4.5 Under the provisions of Section 101 Local Government Act 1972 local authorities can make arrangements for another local authority to discharge functions which are not the responsibility of the executive. Under the provisions of Section 9EA of Local Government Act 2000 and Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012:-

- enable arrangements to be made for the discharge of functions, which are the responsibility of a local authority executive, by another local authority or an executive of another local authority (Regulation 5)
- makes provision in connection with the discharge of functions jointly by two or more authorities where any of those functions are the responsibility of an executive of a local authority (Regulation 9)
- provides for variation of such arrangements where the function in question ceases to be an executive function. (Regulation 10)

5. Conclusion

5.1 The Officer recommendation is that the proposal for a shared service represents the best option in the circumstances for protecting and allowing the Building Control service to develop. The proposal is at worst cost neutral and will result in no diminution of the Service. In some areas such as the ability to respond out of hours to reports of dangerous structures and the development of areas of expertise the Service will be enhanced.

6. Consultation and Engagement

6.1 The staff within the Building Control Service have been consulted and updated throughout the period that the project has been developed. A number of working groups have been set up to oversee the feasibility stage and to assist in building the business case. These include legal services, ICT, HR and Finance. All of their comments are reflected in this report.

6.2 The officers in the West Berkshire Building Control Service have a clear understanding of the need to develop the Service in this direction and are generally supportive. Any questions arising are being dealt with as part of the TUPE consultation process. The Trade Unions views have been inputted into the TUPE process that will be finalised should the proposals be agreed.

Subject to Call-In:

Yes: X No:

Wards affected:

All

Strategic Aims and Priorities Supported:

The proposals will help achieve the following Council Strategy aims:

X SLE – A stronger local economy

X MEC – Become an even more effective Council

The proposals contained in this report will help to achieve the following Council Strategy priority:

X MEC1 – Become an even more effective Council

Officer details:

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Appendix B

Equality Impact Assessment - Stage One

We need to ensure that our strategies, policies, functions and services, current and proposed have given due regard to equality and diversity.

Please complete the following questions to determine whether a Stage Two, Equality Impact Assessment is required.

Name of policy, strategy or function:	Shared Building Control Service
Version and release date of item (if applicable):	
Owner of item being assessed:	Steve Broughton
Name of assessor:	Sean Murphy
Date of assessment:	

Is this a:		Is this:	
Policy	No	New or proposed	/No
Strategy	No	Already exists and is being reviewed	Yes
Function	Yes	Is changing	Yes
Service	Yes		

1. What are the main aims, objectives and intended outcomes of the policy, strategy function or service and who is likely to benefit from it?	
Aims:	To develop a more robust and effective Building Control Service by sharing the service with three other local authorities.
Objectives:	To provide sustainability of the service and improve its effectiveness
Outcomes:	
Benefits:	A strong and effective high quality service.

2. Note which groups may be affected by the policy, strategy, function or service. Consider how they may be affected, whether it is positively or negatively and what sources of information have been used to determine this. (Please demonstrate consideration of all strands – Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex and Sexual Orientation.)		
Group	What might be the effect?	Information to support this

Affected		
Further Comments relating to the item:		
None		

3. Result	
Are there any aspects of the policy, strategy, function or service, including how it is delivered or accessed, that could contribute to inequality?	No
Please provide an explanation for your answer:	
Will the policy, strategy, function or service have an adverse impact upon the lives of people, including employees and service users?	No
Please provide an explanation for your answer:	

If your answers to question 2 have identified potential adverse impacts and you have answered ‘yes’ to either of the sections at question 3, or you are unsure about the impact, then you should carry out a Stage 2 Equality Impact Assessment.

If a Stage Two Equality Impact Assessment is required, before proceeding you should discuss the scope of the Assessment with service managers in your area. You will also need to refer to the Equality Impact Assessment guidance and Stage Two template.

4. Identify next steps as appropriate:	
Stage Two required	
Owner of Stage Two assessment:	
Timescale for Stage Two assessment:	
Stage Two not required:	

Name:

Date:

Please now forward this completed form to Rachel Craggs, the Principal Policy Officer (Equality and Diversity) for publication on the WBC website.