

Agenda Item No:	8	
Committee:	Council	
Date:	18 September 2014	
Report Title:	Building Control: Proposal to join the CNC Partnership	

Cover sheet:

Purpose / Summary

- This paper presents to Council the results of recent work to develop a business proposal for a partnership/shared service model for Building Control services.
- The work undertaken builds on previous internal efficiency savings and consideration of operating models for Building Control.
- A multi-skilled team approach has been used to develop a negotiated proposal with the existing CNC Building Control partnership.
- The attached proposal can now be considered by Council for adoption.
- The proposal has been subject to Portfolio Holder consideration during development and has been presented and discussed via an all-Member briefing held during August 2014. It has also been presented to Cabinet on 18 September.

Key issues

- The current Building Control service is delivered by an in-house team of qualified building surveyors, supported by a wider Technical Support team.
- The currently service operates to a consistently good standard, with generally positive customer feedback and a record of long-standing relationships with the construction industry in Fenland.
- The service also contributes to wider corporate objectives, for example by providing support to renaissance and street scene programmes.
- The service delivers both non-fee earning and fee earning activity (in competition with the private sector).
- The service currently has a net cost to the Council of c. £97,000.
- There is a continuing need to realise further efficiency savings to meet the project financial challenges thorough 2015/16 and beyond.
- The benefits of the CNC Proposal include:
 - Fixed/known cost profile for service delivery.

- Cost savings in the order of c.£37,000 pa.
- Expertise retained within the Fenland District area.
- Boathouse business centre occupancy and income of £15,000 pa.
- Reductions in FDC support service demands.
- Staff able to operate over a wider area, with better resilience given the larger pool of personnel.
- Enhanced working though investment in technology.
- Income generation through the expanded market and better ability to win competitive work.
- Full Governance oversight with Member representation on the CNC partnership Joint Committee, with Fenland established as full partners under this proposal.

Recommendations

1. That Council endorses the proposal to join the CNC Building Control Partnership.
2. That Council notes full governance oversight will be achieved with Member representation on the CNC partnership Joint Committee, with Fenland established as full partners under this proposal.
3. That Council delegates the Corporate Director and Monitoring Officer to take the necessary steps to complete the required Participating Authority Agreement and associated Constitutional amendments in relation to the provision of Building Control services.

Wards Affected	All
Forward Plan Reference	
Portfolio Holder(s)	Cllr Will Sutton, Portfolio Holder for Neighbourhood Planning
Report Originator(s)	Alan Pain, Corporate Director
Contact Officer(s)	Alan Pain, Corporate Director Graham Nourse, Head of Planning Paul Medd, Chief Executive Rob Bridge, Corporate Director and Chief Finance Officer
Background Paper(s)	Building Control Cabinet paper (18 September 2014)

Background/Introduction

- This paper presents to Council the results of recent project team work to develop a business proposal for a partnership/shared service model for Building Control services.
- The work undertaken builds on previous internal efficiency savings and consideration of operating models for Building Control.
- This Council has a continuing need to focus of finance and efficiency savings over the coming period. This includes the need to respond proactively to a predicted in-year funding gap of £975,000 in 2015/16.
- In meeting these challenges, the Council has already adopted a considered approach to shared services, in each case carefully assessing the potential benefits for the Council and residents. Examples endorsed by Cabinet and Council to date include:
 - Planning policy with Peterborough City Council (PCC)
 - Housing Strategy and S106 monitoring with PCC
 - Chatteris Community Hub
 - Whittlesey Community Hub development
 - Anglia Revenue Partnership – Revenues and Benefits
- A multi-skilled team approach has been used to develop a negotiated proposal with the existing CNC Building Control partnership.
- The proposal can now be considered for recommendation to Full Council.

Overview

- The current Building Control service is delivered by an in-house team of qualified building surveyors, supported by a wider Technical Support team.
- The currently service operates to a consistently good standard, with generally positive customer feedback and a record of long-standing relationships with the construction industry in Fenland.
- The service also contributes to wider corporate objectives, for example by providing support to renaissance and street scene programmes.
- The service delivers both non-fee earning and fee earning activity (in competition with the private sector).
- The service currently has a net cost to the Council of c. £97,000.

Considerations

- There are several factors to consider in terms of the overall position of the service area, including:
 - An occasional lack of resilience due to the relatively small size of the team.

- Opportunities for further enhancements through increased use of technology, for example to allow more mobile working.
- A comparative weakness in being able to draw in further commercial and external work, due to operating constraints and size/scale.
- The growing threat of other larger partnerships and commercial operators entering the Fenland market.
- The overall financial position of the Council and the need to identify and maximise cost-savings and income generation.

Options

- Previous options work discussed at CMT and with Members has highlighted the potential advantages of working on a larger scale in partnership with other areas.
- Options considered have included:

1. Further in house efficiencies

In considering this option it should be noted that the in-house team resource has already been reduced to a size that is considered to be the minimum possible to effectively deliver service in the Fenland area.

Further efficiencies of this kind would therefore have a negative effect in terms of ability to deliver statutory duties effectively.

2. Further investment in the current service to drive efficiencies and income

The technology investment required to pursue this option would be considerable in relation to the size of the team and the market available solely in the Fenland area. Such investment would need to include scanning and electronic document handling, enhanced workstations, mobile technology, customer contact and billing, remote access solutions, and training. The investment sum secured under the CNC proposal addresses these issues and this helps to illustrate the potential benefits in joining an established partnership.

Even if such in-house investments were made, the service would still be constrained by its relative small size and limited market area. This would rule out effective payback of such an investment.

3. Relationship with the private / approved inspector market

It is considered that this option would not satisfactorily cover considerations such as required statutory duties, and the Governance and oversight available to elected Members would not be comparable to a Joint Committee style partnership with the Local Government sector.

4. Creating a new multi-area partnership.

Discussions have been held with neighbouring Local Authorities in the Cambridgeshire and Peterborough area. Whilst there is interest in developing a partnership approach, such discussions are at a very early stage.

The associated set up phase, lengthy lead-in time, and the initial set-up investment needed have yet to be fully determined. It is therefore felt that these arrangements would not offer the timely delivery of a new operating model, with an associated delay in any realisable efficiency savings.

5. Joining an existing multi-area partnership.

This option would establish Fenland as a partner in an existing multi-area partnership.

Under this option, the ability to scrutinise an established business model is seen to be a considerable advantage, as are the associated advantages of a tried and tested operating plan.

Key to the success of this option would be to ensure that any agreement is right for Fenland, particularly in terms of resilience, oversight, expertise, income generation and efficiency.

- In considering the above, CMT and senior Member discussions have favoured option 5 – joining an existing multi-agency partnership.
- The purpose of this paper is to present the negotiated proposal with the CNC Building Control partnership.
- This established partnership operates as a Joint Local Authority Committee model across four Districts in Norfolk , with South Norfolk Council, Broadland District Council, Norwich City Council, and the Borough Council of Kings Lynn and West Norfolk.
- The CNC Partnership has been expanded throughout its operating period, with Kings Lynn and West Norfolk being the most recent authority to join.
- The Partnership is seeking further expansion and this represents a good opportunity for Fenland.

The CNC Proposal

- The key features are:
 1. Fenland membership of the CNC Partnership (hosted by South Norfolk Council) as full partners.
 2. Governance via a joint committee model, with Member and Senior Officer Representation.

3. Staff TUPE transfer to South Norfolk Council (building control surveyors and relevant technical team members).
 4. Co-location of combined team at the Boathouse Business Centre (£15,000 income to FDC).
 5. SNC to cover staff transfer, staff disturbance costs, investment in technology, combined Boathouse office location, and mobile working.
 6. Agreed services to be provided for a fixed annual cost of £60,000 pa., for 5 years. (Detailed scope for service has been developed by the project team).
 7. Surplus generated within the partnership redistributed to the partnership, on open book principles. This will offset the initial investment costs and allow for the potential to generate income for Fenland as part of the partnership model.
- The benefits of the CNC Proposal include:
 1. Fixed/known cost profile for service delivery.
 2. Cost savings in the order of c.£37,000 pa.
 3. Boathouse occupancy and income of £15,000 pa.
 4. Reductions in FDC support service demands.
 5. Staff able to operate over a wider area, with better resilience given the larger pool of personnel.
 6. Enhanced working though investment in methods and technology.
 7. Income generation through the expanded market and better ability to win competitive work. This is particularly important in this District to help support the housing and development growth aspirations as set out in the recently adopted Local Plan.
 8. More resilience with regard to competitor models, with Fenland better positioned to benefit from predicted growth.
 - In addition to the points above, the cumulative effects in terms of baseline efficiencies are:

	14/15 (part yr)	15/16	16/17	17/18	18/19
Saving (£)	13,000	52,000	52,000	52,000	52,000
Cumulative Saving (£)	13,000	65,000	117,000	169,000	221,000

Proposed Next Steps:

1. Cabinet to consider and endorse proposal to Full Council – 18 September 2014
2. Full Council to endorse proposal – 18 September 2014
3. South Norfolk Council (host authority) to endorse proposal – 22 September 2014
4. Staff consultation period and an operational transition plan has been scoped and would commence following Council endorsements shown in (2) and (3) above.
5. Completion of partnership agreement (participating authority agreement), constitutional updates and implementation plan to commence September 2014.
6. Phased operational development, with full implementation complete prior to April 2015.

Effect on Corporate Objectives

The proposal is considered to have a positive effect on the 'Economy' and 'Quality Organisation' Corporate Objectives. This is due to the combination of:

- Delivering an enhanced Building Control service, better able to meet demand and react to positive growth in the Fenland economy.
- Realising organisational efficiencies and savings, plus the potential for income generation.

Community Impact

The proposal is considered to have an overall positive community impact, due to the enhancement of the Building Control Service in Fenland.

Conclusions

It is recommended that Fenland joins the CNC Building Control partnership. As outlined in this paper, this will provide the following benefits:

- Joining an existing partnership offers rapid access to a proven model.
- Investment in technology and modern working methods.

- Opportunity for income share.
- Full governance oversight through Joint Committee.
- Total positive effect of c.£52,000 pa.
- Professional service hosted at Boathouse Business Centre.
- Improved position with regard to competitive models and operators.
- Better service resilience and the ability to draw on expertise from a wider pool of professional staff.
- Contribution towards required corporate efficiency savings, with no adverse impact on customer service delivery.