

**CABINET**

**DATE: 3 DECEMBER 2020**

**TITLE OF REPORT: RENEWAL OF THE SHARED BUILDING CONTROL SERVICE WITH RUSHMOOR BOROUGH COUNCIL**

**Report of: Head of Place**

**Portfolio Holder: Cllr Graham Cockarill, Place**

**1 PURPOSE OF REPORT**

1.1 To agree the renewal of the Shared Building Control Service between Hart District Council and Rushmoor Borough Council Building Control Partnership to 31<sup>st</sup> March 2025.

**2 RECOMMENDATION**

That Cabinet:

1. Agrees, the renewal of the Shared Building Control Service between Hart District Council and Rushmoor Borough Council to discharge the statutory building control functions for both Councils until 31 March 2026, unless terminated earlier in accordance with the provisions of the agreed Deed; and
2. Delegates authority to the Joint Chief Executive in consultation with the Portfolio Holder for Place to finalise the specific terms and conditions and then sign the new Deed (the legal agreement between Hart District Council and Rushmoor Borough Council).

**3 BACKGROUND**

3.1 Hart District Council and Rushmoor Borough Council entered into a shared service to form a Building Control Partnership in July 2015. This arrangement was set out in a legal deed with an initial term of five years, ending on 30 June 2020. By exchange of letters in June 2020, the term of the Deed was extended until 31<sup>st</sup> December 2020, to facilitate a review of the service and the consideration of renewal for a further term.

**4 CONSIDERATIONS**

4.1 A review of the operation of the Partnership over the five years from 2015 has been carried out by Officers of both Councils over recent months. The scope of the review included the consideration of an Internal Audit report prepared for Rushmoor Borough Council (February 2020); an assessment of the workings and procedures used by the Partnership; and consideration of the terms and conditions of the existing Deed and the drafting of a new Deed to extend the terms of the Partnership.

4.2 In summary, the review found that the Partnership had been highly successful, delivering excellent customer service since its inception, winning back a good portion of market share and providing a solid efficient service for the benefit of residents and businesses in both districts.

4.3 In terms of performance, the Partnership has returned consistently high results for the determination of the three types of Building Regulation applications during its lifetime:

Type of Application	2016	2017	2018	2019	2020*
<b>Full Plans</b>					
Target 100% decided in 5 weeks	89%	84%	91%	85%	88%
<b>Full Plans with extension of time</b>					
Target 100% decided in 2 months	92%	94%	92%	93%	96%
<b>Building Notices</b>					
Target 90% in under 8 days	99%	100%	99%	100%	100%

\*Up until 17 November 2020

4.4 When looking at market share against Approved Inspectors, the Partnership has been successful at attracting increasing business. The table below shows the % of market share for Approved Inspectors in the area. It should be noted that the dramatic drop this year is likely to be as a result of a local Approved Inspector company ceasing trading last year, and the Partnership picked up some 90% of their work.

Market Share	2016	2017	2018	2019	2020*
Market share for Approved Inspectors	34%	35%	35%	32%	23%

\*Up until 17 November 2020

4.5 The Corporate Plan states that as a Council we are committed to ensuring that we embed the following values in all that we do:

- Putting our residents first
- Providing real opportunities for engagement with residents and other stakeholders
- Being open to change
- Taking responsibility for our actions
- Being fair, open and transparent.

The Shared Building Control Service has these values at its heart as has been demonstrated over the past five years.

4.6 It is also considered that the provision of Hart’s building control functions within the Partnership accords with the Hart values of being helpful, approachable and responsive, and taking ownership in the delivery of the service to its customers in both Council areas. This is perhaps best exemplified by praise received from Berkeley Homes received last year when they selected the Hart and Rushmoor Building Control Partnership to provide services for the Grove Farm development:

*“Given the excellent relationship and quality of service provided by your team we would like to continue to work with LABC for Building Control Services.”*

*(James McCrae, Head of Technical (West), Berkeley Homes (Southern) Limited)*

- 4.7 Whilst the operation of the Partnership has been effective and run with much success, the Audit pointed out that the Steering Group between the Councils needed to meet to review performance on a more regular basis. This had partly been due to changing personnel and managerial vacancies affecting both Councils over time, but now the opportunity can be taken to reset and refresh the Partnership by introducing more robust lines of reporting and performance management within the new Deed.

## **5 ALTERNATIVES CONSIDERED**

- 5.1 The alternative to the continuation of the Partnership would be for each authority to revert to providing its own small building control team with the attendant costs, and the lack of critical mass to effectively compete with independent Approved Inspectors. This is not considered appropriate. The continuation of the Building Control Partnership with Rushmoor Borough Council is the most logical and cost-effective way forward. It gives the service the resilience needed in a competitive market. It may be, in the future, that the Partnership can look to expand by attracting other local authorities to join the successful shared service.

## **6 FINANCIAL IMPLICATIONS**

- 6.1 The Building Act 1984 places a statutory requirement on Local Authorities to provide a Building Control service. The Act defines which functions are to be fee earning and non-fee earning. At the outset of the Partnership each authority had an individual fee schedule which have now been amalgamated into a single partnership schedule of charges. Fee income, defined within the Building (Local Authority Charges) Regulations 2010, is charged on a cost recovery basis only when reviewed over a rolling 3 year period. As such the overall cost of the service is nil to a Council. Similarly the cost of the Shared Building Control Service to Hart is nil once all costs and revenue is taken into account and reviewed over a rolling 3 year period.
- 6.2 The operation of the Building Control Partnership over the past five years, including clawing back some of the work previously lost to Approved Inspectors has left the service in a sound financial position.
- 6.3 At the commencement of the Partnership in 2015, and in the absence of any empirical evidence at the time, the Deed set out an initial split of all costs at 50:50 between the parties. Over time, it became evident that this split was disproportionate to the workload in each area, so in 2017, it was adjusted to 60:40 (Hart: Rushmoor) to more accurately reflect where the work fell. In the new Deed, it is proposed that rather than being a fixed split, the distribution of costs is reviewed on an annual basis by the Steering Group in October each year, so that it more accurately reflects, and can adapt to, the distribution of work. It should be noted that whilst presently Hart has a higher proportion of costs, reflecting the quantity of work, this is likely to change in the future as major redevelopment schemes in both Aldershot and Farnborough town centres commence.

## 7 LEGAL AND EQUALITIES IMPLICATIONS

- 7.1 The Deed has been reviewed by Legal Services and, whilst satisfied in general terms, some detailed points are being discussed with Rushmoor Borough Council. It is anticipated these will be easily resolved. The proposal to renew the Partnership is not considered to raise any equality issues.

## 8 ACTION

- 8.1 Subject to the decision of Cabinet to agree to extend the term of the Shared Building Control Service with Rushmoor Borough Council, the Joint Chief Executive, alongside colleagues from Place, Legal and Finance, will finalise the terms and conditions, and sign the new Deed.

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**Background Papers:** Deed establishing the Hart and Rushmoor Building Control Partnership dated 2<sup>nd</sup> July 2015