

**Report to:** Cabinet  
**Date of meeting:** 23 July 2014  
**Report of:** Jane Custance, Head of Regeneration & Development  
**Title:** The Future of Building Control

## 1.0 SUMMARY

1.1 A report on the future of the Building Control Service was taken to Cabinet in July 2013. Cabinet agreed to set up a Joint Venture Company with the Norse Group to deliver the Building Control function. However, following negotiations, it became clear that the Council's objectives could not be achieved with the Norse Group.

1.2 As an alternative strategy, Local Authority Building Control were commissioned to undertake a review of the options for the service and came up with a series of recommendations to improve the efficiency of the service as a first step. A project group has been established to implement these recommendations and consider the longer term future for the service. The key objectives are:

- Reducing costs and increasing efficiency
- Improving the resilience of the service; and
- Increasing market share through improved service delivery, marketing and promotion.

Cabinet is asked to endorse this approach.

1.3 Cabinet is also asked to endorse LABC's recommendation that where possible the in-house Building Control Service is used for Council projects and schemes.

## 2.0 RECOMMENDATIONS

2.1 That Cabinet notes that a delivery partnership with the Norse Group is not to be proceeded with.

2.2 That Cabinet agrees that the Building Control Function should continue to be delivered as an in-house service at this time and that LABC's recommendations are implemented, where possible, and that a further review of the service is carried out thereafter.

2.3 That Cabinet endorse LABC's recommendation that where possible the in-house Building Control Service is used for Council projects and schemes.

**Contact Officer:**

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**Report approved by:** Jane Custance, Head of Regeneration & Development

**3.0 DETAILED PROPOSAL**

- 3.1 A report on the future of the Building Control Service was taken to Cabinet in July 2013. At that time the Council was working with the Norse Group to outsource the service, via the establishment of a Joint Venture. The following recommendations were agreed:
- That, negotiations with the Norse Group are progressed with a view to them taking over the service from April 2014 through a Joint Venture Company (JVC).
  - Should these negotiations prove successful, the decision to formally set up a joint venture company with Norse Group and the arrangements necessary to implement the decision is delegated to the Portfolio Holder for Planning.
  - That Cabinet should approve a working collaboration between DBC and WBC for Building Control services in the lead up to concluding negotiations with Norse and establishing the JVC.
- 3.2 Following Cabinet dialogue was established with Dacorum Borough Council and both Councils worked with Norse to try and develop a Business Case. Unfortunately, Dacorum subsequently withdrew from negotiations following a change in their strategy.
- 3.3 This council continued to work with Norse as a sole partner, but this changed the Business Case and associated costs for providing a service for non-fee earning work. Issues also emerged regarding the ability to comply with the Building (Local Authority Charges) Regulations 2010 under the Norse Group model. In April it was finally determined that a Business Case for establishing a Joint Venture could not be established. The financial benefits to the Council would be limited and there were issues on the pension cost responsibilities, KPIs and the business model.
- 3.4 As part of the process of evaluating the Norse Offer, Local Authority Building Control (LABC) were asked to carry out a review of the service and to comment on the best options for running the service in the future. As a result of the review, LABC came up with a number of recommendations for improving the efficiency of the service and

increasing market share. A summary of the recommendations is set out at Appendix 1.

3.5 In terms of future service delivery, LABC considered three options:

- Retain in-house service;
- Norse; and
- Herts 7.

Herts 7 is a consortium of 7 of the Hertfordshire Districts who are trying to come together to form a company to deliver an outsourced Building Control service.

3.6 As referred to above, Norse has been discounted as an option. As far as Herts 7 is concerned it is unclear what the timescales for this project are. Officers have therefore taken the view that improvements to the in-house service should be carried out first in accordance with LABC recommendations and to that end a project group has been established to review the service with the objectives of:

- Reducing costs and increasing efficiency
- Improving the resilience of the service; and
- Increasing market share through improved service delivery, marketing and promotion.

Although customer feedback for the Service is very good, implementing the improvement plan would better position the Building Control Service as competition for services increases and leave open the option for a different way of delivering the service in the future. A Project Initiation Document, Project Plan and Business Case are currently under preparation. Cabinet are asked to endorse this approach.

3.7 Cabinet are also asked to endorse LABC's recommendation that where possible the in-house Building Control Service is used for Council projects and schemes.

## 4.0 IMPLICATIONS

### 4.1 Financial

4.1.1 The Financial implications of the Building Control Review will form part of the Business Case.

4.1.2 The Director of Finance comments that the financial implications will become clear once the business case has been completed.

### 4.2 Legal Issues (Monitoring Officer)

The Head of Democracy & Governance comments that there are no legal implications in this report.

### 4.3 Equalities

#### 4.3.1 Equalities

Watford Borough Council is committed to equality and diversity as an employer, service provider and as a strategic partner. In order to fulfil this commitment and its duties under the Equality Act 2010 it is important to demonstrate how policies, practices and decisions impact on people with different protected characteristics. It is also important to demonstrate that the Council is not discriminating unlawfully when carrying out any of its functions

4.3.2 Not applicable in relation to this item.

#### 4.4 **Potential Risks**

Potential Risk	Likelihood	Impact	Overall score
That the Project fails to deliver the objectives referred to in paragraph 3.6 above	1	4	4
Those risks scoring 9 or above are considered significant and will need specific attention in project management. They will also be added to the service's Risk Register.			

#### 4.5 **Staffing**

4.5.1 There are no staffing implications from this report.

#### 4.6 **Accommodation**

4.6.1 There are no accommodation implications from this report.

#### 4.7 **Community Safety**

4.7.1 There are no community safety implications from this report.

#### 4.8 **Sustainability**

4.8.1 There are no sustainability implications from this report.

### Appendices

Appendix A Watford Borough Council Building Control Service Review  
Recommendations

### Background Papers

No background papers were used in the preparation of this report.

### File Reference

None