



Building Control Service Best Value Consultation Notice

Building Control is a statutory service that aims to ensure the safety of buildings and the people who use them. Local authorities are also required to provide an 'at cost' (non-profit making) building regulation service. Due to significant challenges in continuing to deliver the service as currently provided, the Council is consulting on the preferred approach to future service delivery.

The Building Control service includes: processing fee paid applications and undertaking inspections, for development projects ranging from large commercial construction projects to residential home extensions; processing applications for approved inspector, competent person scheme and demolitions, for which no fees are currently earned, providing support to the emergency services in the event of dangerous structures and; instigating court action when enforcement under the building regulations and associated legislation is required. All the above functions are statutory provisions contained within the 1984 Building Act and associated legislation.

Epsom and Ewell Borough Council would like to seek the views of residents, council tax payers, business rate payers and representatives of persons who use or are likely to use the Building Control service.

Please read the brief background information and options summary before taking part in the survey.

The survey should take 10 minutes to complete and the results will be reported back on the Council's website in the Autumn.

Why consult now

In common with most local authorities in the Country, providing a cost effective and resilient Building Control service is becoming increasingly challenging:

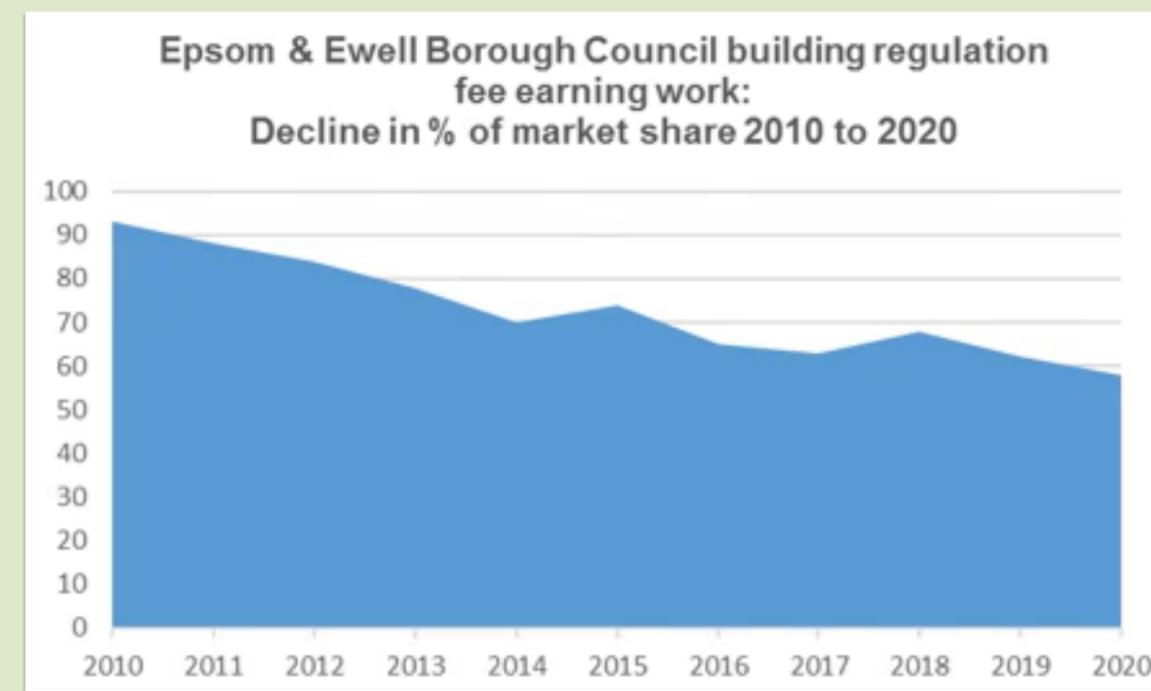
Challenges we are facing...

1 Recruitment & Retention

There is a national shortage of qualified Building Control surveyors. Many local authorities struggle to recruit and retain staff who are attracted to the higher salaries and better recruitment and retention packages available with Approved Inspector (AI) employers in the private sector.

2 Competition from the private sector

Changes to the Building Act in 1984, enabled provision of fee earning building regulation work to be undertaken by the private sector, through 'Approved Inspectors'. Epsom and Ewell Borough Council's Building Control service has faced increasingly strong competition since then, which has resulted in a gradual but significant loss of market share as illustrated below.



If the service continues to lose market share at the same rate (an average loss of 3.5% per annum) in the coming 10 year period, Epsom & Ewell's fee income could dwindle to as little as 23% of the total (fee earning) market.

The increasing transfer of work to AI's also has the potential to have a detrimental effect on staff morale, making it even more difficult to recruit and retain staff.

**Take me straight to survey
Deadline to take part, 29 August 2021**

3 Reductions in fee income

As a result of increased competition from Approved Inspectors, the amount of fee income earned by the Council's Building Control service has reduced, and is expected to reduce more rapidly if the trend in the loss of market share continues.



Alongside this reduction in income, the ratio of non-fee earning work has increased. Applications submitted by an Approved Inspector must still be registered by Epsom and Ewell Borough Council and checked in accordance with legislation, leading to increased administrative (non-fee earning) work-load and increased costs for council tax payers as the service is statutory and must be provided.

What are the options?

A thorough review of the Building Control service was carried out during 2017 when a range of options for service delivery were considered including:

- Do nothing (continue as usual)
- Keep the service in house, but 'do it better'
- Shared service/ Partnership delivery
- Establish a (Building Control) trading company
- Outsource delivery to the private sector
- Wait to see what happens with other neighbouring Local Authority delivery models
- Promote Approved Inspectors and reduce our in-house service

In March 2021, the Council's Strategy & Resources Committee received a report from consultants, KPMG. Having been commissioned by each of the 11 districts and boroughs. The report highlighted a number of priority service areas where shared service, partnership and collaborative working should be pursued, Building Control is one of the priority areas.

Given the many challenges facing the service, and as described above, the options for the future delivery of the Building Control service have been re-considered, are summarised below and a select number of alternatives are now being consulted on:

Option	Comment
Do Nothing (continue as we are)	No longer a viable option. The information on page one shows that the inability to recruit and retain staff, compete with the private sector and reducing fee income represent too great a financial risk to carry on as we are. Discounted as an option and not included in the current consultation.
Do it better'	This approach has been pursued since 2017 and is no longer considered viable given the challenges and risks highlighted. Discounted as an option and not included in the current consultation.
Shared service delivery/ Partnership delivery	Building Control is one of the eight priority service areas identified for future shared/ collaborative service delivery. Discussions have taken place with several Local Authorities as a result. Elmbridge Building Control Service (EBCS), a Public Service (Building Control Body) Mutual have proposed a viable partnership service delivery model for the provision of a full Building Control service in Epsom & Ewell. They have the staff, expertise and close affiliation with Local Authorities to understand and be able to deliver the statutory parts of the building control service (dangerous structures/ demolitions etc...) as well as a fee-earning building regulation service. Epsom and Ewell Borough Council could become a shareholder in the Public Service Mutual and be able to have a say in the direction of the company and the service it provides to residents of Epsom & Ewell. As a Mutual, EBCS are a staff owned company bound by the Building Control Charges Regulation who have retained 75% of the market share of the Building Control fee earning market in Elmbridge since 'spinning out' from Elmbridge Borough Council and regularly achieve very high customer satisfaction ratings. As a staff owned Mutual they offer a unique staff incentive that helps to ensure the recruitment and retention of staff. Consultation Option One in the Survey

Continuation of options to consider:

Option	Comment
Establish a (Building Control trading company)	<p>Requires significant time and financial investment that is considered disproportionate when considered against the Building Control fee income (£177,000 during 2020/20201). The limited scope and scale of the workload would mean that we would still be unlikely to be able to recruit and retain staff.</p> <p>Discounted as an option and not included in the current consultation.</p>
Outsource delivery to the private sector	<p>This has the benefit of over-coming the issue with recruitment as private sector employers can pay the higher salaries that building control staff command.</p> <p>Higher salaries, may translate into higher costs being passed on to the Council, and council taxpayers and service users in turn.</p> <p>There are some legal difficulties around the full out-sourcing of a statutory service to the private sector meaning that some in-house resource would likely still need to be retained. This means that the recruitment issues and use of interim and agency staff may continue if this option is pursued.</p> <p>It is not possible to make a profit from delivery of a statutory service and it is difficult to see the business case for a private company wishing to undertake the statutory building control service when fees cannot be charged for this element of the work (around 30- 35% of all Building Control work undertaken in Epsom & Ewell). The Council will have limited influence over the service provided.</p> <p>Consultation Option Two in the Survey</p>
Wait to see what happens with other neighbouring local authority delivery models	<p>Southern Building Control Partnership, is a successful shared service delivering a Building Control service across East Surrey. Discussions have been held regarding Epsom & Ewell joining the service. Elmbridge Building Control Service (EBCS) is the only Public Service (Building Control) Mutual in the Country and is providing a successful Building Control service under contract to Elmbridge Borough Council, our neighbouring borough. EBCS have presented a viable proposal for the provision of a full Building Control in Epsom & Ewell</p> <p>See: Consultation Option One in the Survey</p>
Promote Approved Inspectors and reduce our in-house service	<p>Approved Inspectors do not carry out every function of a Building Control service, the statutory non-fee earning work would still need to be undertaken by Epsom and Ewell Borough Council.</p> <p>Recruiting sufficient staff to undertake only the statutory role will be extremely challenging as there is reduced job satisfaction in carrying out a limited role and the challenged to recruitment will still persist.</p> <p>However, many Approved Inspectors have developed a strong reputation for delivering a swift and responsive customer focused service and, most are successful in attracting and retaining qualified Building Control staff.</p> <p>Consultation Option Three in the Survey</p>

Click [HERE](#) to take part in our survey.