

(Click and use arrow to select a relevant exemption paragraph - delete if the report is not confidential)

Report to Cabinet
14 March 2018
Report of Director of business services
Subject Building control service delegation

Item

14

KEY DECISION

Purpose

To seek approval to continue with the current building control delegation.

Recommendation

To continue with the delegation of building control services to South Norfolk Council.

Corporate and service priorities

The report helps to meet the corporate priority a safe, clean and low carbon city.

Financial implications

The current amount paid for the service level agreement is £68,673. This will reduce to £61,806 in 2018/19 (a 10% reduction). This figure will then increase by inflation each year thereafter.

Ward/s: All wards

Cabinet member: Councillor Stonard - sustainable and inclusive growth

Contact officers

Anton Bull – Director of business services

01603 212326

Background documents

None

Background

1. The CNC Building control partnership was established in 2004.
2. Until April 2013 the service were delegated to a joint committee with the service hosted by Broadland District Council.
3. In April 2013 the service was delegated to South Norfolk Council. The joint committee was abolished. All staff transferred to be employed by South Norfolk Council.
4. Broadland District Council, Kings Lynn and West Norfolk Council and Fenland District Council also delegate their building control services to South Norfolk Council.
5. A board comprising a member and an officer from each council maintains a strategic overview of CNC Building Control.
6. Each council entered in to a delegation agreement and a service level agreement.
7. The current agreement expires at the end of March 2018.

Review

8. In September 2017 South Norfolk Council put forward an offer to CNC partners at the CNC Board to continue the building control service under the current arrangements for a further 5 years. A copy of this offer is attached as an exempt appendix to this report.
9. No other partner has put forward an offer to host the service.
10. The offer from South Norfolk Council maintains the status quo. Some suggestions have been made for amendments to service level agreements but these are not significant.
11. The offer from South Norfolk Council includes a 10% reduction in cost for 2018/19.
12. For 2019/20 onwards the cost will then rise in line with inflation.

Options

13. Norwich delegates the building control function to South Norfolk Council along with other councils. The other councils are minded to continue with the South Norfolk Council delegation and are going through their approval processes. In considering other options, this is a key factor to consider. If Norwich City Council chose to do something different it is unlikely that the other councils would choose to do the same thing.

Option 1 – Do nothing

14. This would mean letting the existing agreement lapse on 31 March 2018.

15. This would leave no provision in place for April 2018 onwards.

Option 2 – outsource to the private sector

16. This would require the services to be tendered to find a suitable partner.

17. There have been recent market failures with outsourced service providers and this would be the main risk attached to this option.

18. There is the possibility that the cost could be less, more or the same. On balance, taking in to consideration the need for a private company to deliver a profit it is likely to cost more.

19. Working with a private sector partner would require an admission agreement for current employees who are members of the local government pension scheme. These are subject to triennial valuations and changes to the employer's contribution rate. These are likely to fluctuate more with a private sector partner. It is highly unlikely that a private sector partner would take on the pension liability risk and this would remain with the council.

Option 3 – insource

20. This option would include a number of sub options include straight insourcing of just the Norwich City Council services, offering to deliver services for other current partners, working with an existing partner to deliver the services.

21. This is the main viable alternative to continuing to delegate to South Norfolk Council.

22. As described in the background Norwich City Council has not directly delivered building control services since 2004.

23. Insourcing the service would either be stand alone for Norwich City Council or require other partners to want to delegate their service to Norwich City Council.

24. The main risk to this would be the ability to manage and deliver a service. Norwich City Council would need to invest in technology to support the service.

25. This would require a transfer of staff from South Norfolk Council to Norwich City Council and this can be disruptive.

26. Norwich City Council did not put forward a bid to deliver the services.

Option 4 – continue to delegate to South Norfolk Council

27. This option would be the least disruptive and give continuity of service.

28. The service has been generally good but there is scope for improvement in the delivery of the service. This has been acknowledged at board meetings and is being worked on.

29. This option offers a 10% saving on cost in the first year.

30. It is felt that further savings should be achievable but the offer from South Norfolk Council and subsequent negotiations has not produced any amendment to this offer.
31. In the short term this is likely to be the lowest cost. However, to remain competitive service costs must continue to be reduced with the aim to get as close to cost neutral as possible.

Recommendation

32. Each of the options above carries risks and benefits.
33. Do nothing is not an option that can be pursued.
34. Outsourcing to the private sector carries significant risk with little prospect of benefit over other options and is therefore not recommended.
35. Insourcing and continuing to delegate to South Norfolk Council are the two possible options. However, at the CNC Board meetings other partners have indicated a desire to continue with the delegation to South Norfolk Council. Therefore any insourcing would only be the Norwich City Council service. The cost and disruption is likely to outweigh any benefits.
36. The recommendation is therefore to continue with the delegation to South Norfolk Council

Integrated impact assessment



NORWICH
City Council

The IIA should assess **the impact of the recommendation** being made by the report

Detailed guidance to help with the completion of the assessment can be found [here](#). Delete this row after completion

Report author to complete

| | |
|-----------------------------------|-------------------------------------|
| Committee: | Cabinet |
| Committee date: | 14 March 2018 |
| Director / Head of service | Anton Bull |
| Report subject: | Building control service delegation |
| Date assessed: | 2 March 2018 |

| | Impact | | | |
|--|-------------------------------------|-------------------------------------|--------------------------|--|
| Economic (please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
| Finance (value for money) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | The recommended option includes a 10% reduction of cost in the first year. |
| Other departments and services e.g. office facilities, customer contact | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| ICT services | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Economic development | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Financial inclusion | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| | | | | |
| Social (please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
| Safeguarding children and adults | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| <u>S17 crime and disorder act 1998</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Human Rights Act 1998 | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Health and well being | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| | | | | |

| | | | | |
|--|-------------------------------------|--------------------------|--------------------------|----------|
| | Impact | | | |
| Equality and diversity (please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
| Relations between groups (cohesion) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Eliminating discrimination & harassment | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Advancing equality of opportunity | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| | | | | |
| Environmental (please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
| Transportation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Natural and built environment | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Waste minimisation & resource use | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Pollution | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Sustainable procurement | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Energy and climate change | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| | | | | |
| (Please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
| Risk management | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |

Recommendations from impact assessment

Positive

Negative

Neutral

Issues