

<b>DECISION-MAKER:</b>	CABINET
<b>SUBJECT:</b>	CENTRALISATION OF BUILDING CONTROL JOINT SERVICE WITH EASTLEIGH
<b>DATE OF DECISION:</b>	18 SEPTEMBER 2012
<b>REPORT OF:</b>	CABINET MEMBER FOR ENVIRONMENT AND TRANSPORT
<b>STATEMENT OF CONFIDENTIALITY</b>	
Not applicable.	

### **BRIEF SUMMARY**

The City Council's Building Control Service is currently operated as a Joint Service with Eastleigh Borough Council. This Joint Service delivery model was approved by Cabinet on 10<sup>th</sup> December 2007. A formal ongoing Legal agreement (Memorandum of Understanding) exists between the two local authorities which stipulates each authority's responsibilities including the requirement for Southampton to act as the 'lead partner' in the Joint Service.

The purpose of this report is to update Cabinet regarding the intention to streamline the service by moving to a single common IT database and to centralise all 'back office' services at Southampton in line with the original 2007 Cabinet report. To facilitate this formal approval is sought to extend the current Partnership for a further 5 years and to note the 'TUPE' transfer of five Eastleigh members of staff to Southampton thus enabling the move to one IT system and a centralised back office.

A Business case (Bronze level) has been agreed for these changes that will lead to a more streamlined service for both local authorities delivering both financial savings and added value to customers.

### **RECOMMENDATIONS:**

- (i) To extend the existing Building Control Partnership with Eastleigh Borough Council for a further 5 years
- (ii) To note the TUPE transfer of five members of staff from Eastleigh Borough Council to Southampton City Council.

### **REASONS FOR REPORT RECOMMENDATIONS**

1. Formal approval to extend the Partnership for a further 5 years gives certainty to the current Joint delivery arrangements. The current partnership arrangements have facilitated cost and income sharing resulting in a trading surplus for both Councils each year since commencement.
2. Centralisation of back office services at Southampton will result in financial savings to both local authorities as detailed in the approved Business Case. It will also lead to a more efficient and effective service across the combined geographic areas of both local authorities.
3. TUPE transfer of staff to Southampton is an integral part of centralising services. This process will bring the two administration teams of each authority together in one place enabling a staff saving to be made by undertaking an internal appointment to a current vacant post (the vacant post

is currently being covered utilising staff from the Temporary pool).

4. The current Joint financial model that has been put in place by both authorities operates by sharing total income in line with expenditure. This will result in the additional transferred staff costs and overheads being cost neutral for Southampton as the Council will receive a greater proportion of the overall income.
5. Customers across the combined geographic areas will receive more consistent and improved services as processes will be streamlined and better resourced from one location.

#### **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

6. Retain two IT databases and separate office set ups at Southampton and Eastleigh. This is not recommended as this operational arrangement leads to duplication of services, management arrangements and staffing. It is more costly and results in a higher risk of financial under recovery of fees (end of year trading deficit).

#### **DETAIL**

7. Ensuring services are fit for purpose  
The Building Control Partnership Service currently has a good reputation and has consistently achieved high customer satisfaction ratings (90% average for 2011/12). Trading conditions for the building control service have however become more challenging; application volumes have reduced partly due to the current market conditions but also due to the impact of increased competition. Streamlining the service will help ensure the current Joint Service delivery model remains fit for purpose and is capable of breaking even on an ongoing basis.
8. The centralised service delivery model will also lend itself to further expansion should other local authorities wish to join the Partnership.
9. Consultations  
Operational Issues  
Extensive consultation has been undertaken at both Southampton and Eastleigh Councils over a prolonged period. A project group involving both councils has been set up to manage this streamlining process.
10. Consultations have been undertaken for both Operational and staff related issues. Consultation has been undertaken with Legal Services, Finance, IT and HR representatives at both Eastleigh and Southampton Councils.
11. The strategic IT proposals have been discussed and agreed. The proposals have been fully costed and are scheduled to be undertaken between October 2012 and March 2013. A project plan is registered on the Sharepoint system.
12. Southampton Management Board of Directors approval was given on 24<sup>th</sup> July, 2012.
13. Eastleigh Council's Chief Executive and Management Team have given approval to proceed with the project subject to detailed agreement on finance issues. The current Building Control Partnership Governing Board arrangements would continue to oversee the Strategic management of the

Partnership.

14. **Staff Consultation**

Formal staff consultation is being undertaken in line with corporate recommendations and in accordance with TUPE requirements. The initial period of consultation ran from 11<sup>th</sup> July to 10<sup>th</sup> August, 2012 and will continue throughout the TUPE transfer process.

15. Both Southampton and Eastleigh HR and Union representatives have been fully involved in the process. The changes do not result in any redundancies for permanent members of staff.

## **RESOURCE IMPLICATIONS**

### **Capital/Revenue**

16. The project cost to centralise the service is estimated to be £80K, this cost relates mainly to IT including internal and external IT suppliers. This cost will be met by the utilisation of current trading surpluses that have been set aside each year since 2007. The costs will be shared between Southampton and Eastleigh in line with the current agreed Financial Model and subject to agreement by members of the Partnership Governing Board (Eastleigh Council Leader, Director of Financial services for Eastleigh, Southampton Portfolio lead and Senior Manager for Planning, Transport and Sustainability. The transferred costs relating to staffing and additional overheads will be cost neutral as a result of the agreed Joint operational Financial Framework which re-allocates income in line with expenditure. Monthly reporting will be undertaken and a balancing payment will be made to Southampton when necessary although the centralisation of the back office will result in the majority of competition income being paid and accounted for by Southampton.
17. The project will give rise to a £30K annual cashable saving to the Partnership giving a payback within 3 years.

### **Property/Other**

18. Three members of staff from the current administration team at Eastleigh will transfer to Southampton. Accommodation space will be available for these staff. Also additional storage space will be required which has been planned for.
19. A minimum of two technical surveyors will be retained at the Civic Offices in Eastleigh in order to give a local presence. Accommodation has been planned for this purpose.

## **LEGAL IMPLICATIONS**

### **Statutory power to undertake proposals in the report:**

20. Under the provisions of Section 101 Local Government Act 1972, Section 20 of Local Government Act 2000 and the Local authorities (Arrangements for the discharge of its functions) Regulations 2000, local Authorities can make arrangements for the Joint Delivery of their functions. Under these provisions each Council delegates to the other power to exercise the Building Control functions on its behalf and this includes the management of resources used in the exercise of such functions.

**Other Legal Implications:**

21. None.

**POLICY FRAMEWORK IMPLICATIONS**

22. There are no Policy Framework implications.

<b>AUTHOR:</b>	Name:	Neil Ferris	Tel:	023 8083 2781
	E-mail:	neil.ferris@southampton.gov.uk		

**KEY DECISION?** No

<b>WARDS/COMMUNITIES AFFECTED:</b>	NONE
------------------------------------	------

**SUPPORTING DOCUMENTATION**

**Appendices**

1.	None.
----	-------

**Documents In Members' Rooms**

1.	Business case for Centralising Building Control Partnership Service
----	---

**Integrated Impact Assessment**

Do the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out.	No
--	----

**Other Background Documents**

**Integrated Impact Assessment and Other Background documents available for inspection at:**

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
------------------------------	--

1.	None	
----	------	--