



Annual Performance Review

Financial Year: 2016 / 2017

Contract Client: Cheshire East Council

Date of Report: 18<sup>th</sup> May 2017

[www.civicance.co.uk](http://www.civicance.co.uk)

Civicance Ltd is an agent for Cheshire East Council (CEC) and is owned and controlled by CEC  
Registered Office: Westfields, Middlewich Road, Sandbach, Cheshire CW11 1HZ



## **1.0 Introduction**

- 1.1 Civicance Ltd provides a number of statutory regulatory services on behalf of Cheshire East, some of which are chargeable functions and open to a competitive marketplace.
- 1.2 The services Civicance Ltd undertake currently include the following;
- Building Regulations fee earning
  - Building Regulation non fee earning
  - Response to report of Dangerous structures
  - Monitoring of Demolitions
  - Local land and property searches
  - Street naming and numbering
  - Planning administration and application registration
  - Registrations of Initial Notices, and competent persons notifications
  - Registration of planning enforcement complaints
- 1.3 All of the work undertaken by Civicance Ltd involves, at one stage or another, interactions with residents of Cheshire East on a daily basis. Services offered need to be responsive and prompt, whilst being efficient.
- 1.4 Through the year members of Civicance Ltd have focussed efforts significantly to achieve the requirements as set out within the agency agreement between Cheshire East Council and the company whilst also developing new services to compliment those already undertaken.
- 1.5 This report provides a summary of operational performance between 01<sup>st</sup> April 2016 and the 31<sup>st</sup> March 2017 against the requirements of the agency agreement.

## **2.0 Operational achievements**

- 2.1 The company operates within a competitive marketplace particularly focused on the fee earning Building Regulation and Land Charges areas. This business activity relies on quality service provision and service user relationships. These two areas generate fee income for the Authority and form part of the financial performance criteria set out within Schedule 6 of the key contract. All other services offered do not form part of this calculation and it is therefore important to recognise that where service take up in those area increases, this will affect the income generating activity.
- 2.2 The greatest asset of the company remains its employees. Over the last year the company continues to experience difficulties with recruitment and retention. This is due to factors such as the level of remuneration currently offered and the requirement to balance expenditure with high income targets set by the Authority, principally under the Building Regulations.

2.3 In accordance with requirements under the contract the company has achieved appropriate quality accreditation under ISO:9001 2008, which has proved to be fortuitous as the Department of Communities and Local Government have recently published new “Building Control Performance” standards requiring ALL local Authorities to apply a formal documented quality management system. This has been done within current budgets removing any additional financial pressures on the Authority for this work.



2.4 Competitor activity remains fierce, with approx. 30 private sector building control bodies operating within the boundaries of Cheshire East. This has meant that the team continue to drive forward the services offered under the agency agreement, delivering a responsive service whilst continuing to market and promote their delivery.

2.5 The company has continued to drive customer engagement to be at the heart of everything it does. This has resulted in a number of social media marketing initiatives being developed including the provision of;

- Information booklets in the form of e-books
  - “Guide to renovating your home”
  - “Guide to converting your property”
- The development of a new dynamic website that strives to demonstrate the competencies of the teams, which is expected to build confidence.
- The development of animated advertisement promoting the role of the company as agent for the Authority.
- Continued to support local marketing events, such as the recent Nantwich Home Show, where over 600 of the above booklets were distributed to local residents.
- The company has achieved success, receiving a “Silver Award” at the 08<sup>th</sup> “Iese” innovation and improvement awards in April this year and has been confirmed as a “finalist” within the “Most Improved Council” category at this years MJ Award to be held on the 15<sup>th</sup> June 2017.
- The companies land charges team also achieved success winning the “Best Customer Experience” at this year Land Data Award in March 2017

2.6 The company continues to represent the Local Authority within the Local Authority Building Control (LABC) arena, promoting this year’s “Building Excellence Awards” and attending the LABC regional and national events as members of the North West Executive.

- 2.7 To ensure that the functions of the company remain fit for purpose Civicance Ltd has also driven forward a number of business improvement initiatives for Authority services, continuing to review and improve operational procedures including;
- i. The administrative process associated when dealing with Planning appeals.
  - ii. The commencement of a review of planning validation lists
  - iii. Provided a recommendation paper highlighting proposals to deal with incomplete Planning applications
  - iv. Provided recommendation relating to the issue of electronic decision and communications for planning applications
  - v. The development and implementation of “workflow” for Building Regulation applications
  - vi. The company continues to contact over 60% of applicants submitting planning applications within 5 working days to ensure they are satisfied with the service at this point which also provides an opportunity to further promote the Building Regulation services provided.
- 2.8 In addition, to those elements of operations included within the performance framework, as part of normal day to day operations under the contract the Company has undertaken the following tasks which are fee generating for the Authority;
- Registered 2216 Building Regulation applications, which includes 438 from partnership arrangements and 115 from neighbour Authorities.
  - Registered 6235 Planning applications. An increase of 11.3% on the previous year
  - Responded to approx. 9148 land charge search requests
  - Undertaken 13,031 inspections of construction elements
  - Undertaken 1889 inspection visits on behalf of the Staffordshire Moorlands and High Peak Alliance

And also undertaken the following work which does not attract a fee income but remains a statutory function;

- Responded to 133 dangerous structures, including a large demolition project within the centre of Congleton
- Registered 2003 initial notices
- Registered and inspected 75 notices of demolition
- Registered 21,882 competent persons notifications
- Continued to respond to request for Building Regulation site inspections the same day when requested before 10.00am.
- Undertaken 39 new street applications, 247 new property applications and 87 property renaming applications.
- Supported the “Big Mill” demolition project undertaken under Section 78 of the Building Act (Emergency powers for dangerous structures), taking a total of 74 Hours. (Some costs can be possibly be recovered through appropriate legal action).
- Responded to 1454 requests under the EIR Regulations
- Responded and investigated 19 reports of defective drainage
- Registered and responded to 1210 general enquiries



- Undertaken formal enforcement actions under the Building Act 1984 for contraventions at Aston Park House, Great Budworth, taking a total to date of 35 hours.

2.9 In addition the land charge team has provided support for changes to systems and process following legislative changes throughout the year relating to the new legal Con29 form and HMRC requirements. These include;

**New Con29 questions introduced from July 2016**

- Identification which departments had new responsibilities
- Assist departments to set up automated answering for questions via GIS technology where ever possible
- Link GIS data to Search responses

**HMRC and VAT**

- Set up and test Swift search systems to ensure compliance with HMRC requirements for Fee paying searches (Con29) for 31<sup>st</sup> March 2017
- Arrange the set up of separate reporting on accounts with Finance for VAT recording purpose

### 3.0 Performance Framework

3.1 A number of Key Performance Indicators have been included within the agency agreement that require the Company to monitor performance against. The following tables highlight the required performance expected of the Company as part of this agreement:

Action	Reason	Benefits to the Company	Benefits to the Customer
Monitor Performance of Planning Application Registration	As required under contract agreement. Monitor Performance levels to clearly indicate areas for improvement.	Data can be used to forecast future work trends, staffing requirements and to identify performance against agreement targets	Performance set against the contract and associated guidelines to achieve what the company sets out to achieve. Improve customer service delivery of planning applications

Service Level Indicator	2014 – 2015 Cheshire East achievements	Target set for 2015 – 2016	Target Set for 2016 - 2017	Schedule 1 KPI	Schedule 6 KPI	Possible Penalties	Target Achievement for the period
April 2016 – March 2017							
Valid Application registered within 10 working days	57%	100%	100%	Yes	Yes	No	99%
Valid Planning Applications registered within 5 working days	3%	80%	90%	Yes	Yes	Yes	96%
Registration of valid Householder applications registered within 2 working days	22%	90%	90%	Yes	Yes	No	99%
Registration of valid prior applications within 1 working day	29%	100%	100%	Yes	Yes	Yes	100%
Neighbours and consultees notified within 1 day of registration of applications		90%	100%	Yes	Yes	No	100%
Requests for additional information, amendments or corrections to invalid applications sent out within 5 working days of receipt		90%	90%	Yes	Yes	No	u/a
Issue Decision Notices within 1 day of Decision being produced		95%	95%	Yes	Yes	Yes	100%

*Commentary:* The company has experienced a significant increase in volume of registrations for planning applications compared to the previous year and continued to maintain high levels of performance. For 2015/2016 a total of 5603 applications were registered compared with 6235 this financial year. An increase of 11.3% at no additional cost to the Authority.

Action	Reason	Benefits to the Company	Benefits to the Customer
Monitor Market activity together with performance relating to Fee Earning activity under the Building Regulations	<i>As required under contract agreement. The data can also be used to forecast future workload and staffing requirements. The number of applications reflects fee income</i>	Data can be used to forecast future work trends, staffing requirements and to identify marketing potential.	Performance set against the contract and associated guidelines to achieve what the company sets out to achieve.

Service Level Indicator	2014 – 2015 Cheshire East achievements	Target set for 2015 – 2016	Target Set for 2016 - 2017	Schedule 1 KPI	Schedule 6 KPI	Possible Penalties	Target Achievement for the period
April 2016 - March 2017							
Number of Fee Earning Applications received	1962	2200	2200	Yes	Yes	No	2216
Number of Initial Notices	1348	1400	1400	No	Yes	No	2003
Number of all LA Apps as a % of all notices received	59%	70%	70%	No	Yes	No	53%
Percentage of Full Plans checked within 15 working days	84%	94%	94%	Yes	Yes	Yes	90%
Percentage of inspections carried out the same day where requested before 10.00am	100%	98%	98%	Yes	Yes	No	100%
Percentage of Decisions issued within 2 months		98%	98%	Yes	Yes	No	99%

**Commentary:** The market position continues to move in the favour of private sector bodies in regards to fees set. Charges set are out of the control of the company and remain the responsibility of the Authority. It is apparent that fees set for smaller extension works are generally higher than those of locally based private sector bodies, whose professional employees do not undertake the statutory requirements of the role, and are not required to undertake non fee earning activity such as dangerous structures or corporate projects.

Whilst the efforts of the company to identify new income streams to support the volume of Building Control applications supports the level of market share, the market share within Cheshire, when comparing simple application volumes has declined. The above total figure includes applications received under the LABC partner scheme whereby the plan check element is undertaken on behalf of other local Authorities together with applications undertaken under the memorandum of understanding with Staffordshire Moorlands and High Peak. These applications combined represent 553 of the above quoted figure.

Performance against “Full Plans checked” etc continues to be influenced by resources available, and where resources are required to attend unforeseen emergencies such as “Dangerous Structures” this will affect this figure. It is clear that over the last 12 months the number of such reports has increased significantly compared to the same period last year, and the contribution to the “Big Mill” demolition has also impeded general progress.



Action	Reason	Benefits to the Company	Benefits to the Customer
Monitor Performance of processing correspondence and PD enquiries	As required under contract agreement. Monitor Performance levels to clearly indicate areas for improvement.	Identify performance against others.	Performance set against the contract and associated guidelines to achieve what the company sets out to achieve. Improve customer service delivery of planning applications

Service Level Indicator	2014 – 2015 Cheshire East achievements	Target set for 2015 – 2016	Target Set for 2016 - 2017	Schedule 1 KPI	Schedule 6 KPI	Possible Penalties	Target Achievement for the period
April 2016 – March 2017							
Response to Permitted Development enquiries issued within 21 days		95%	95%	Yes	No	No	93.7%
Acknowledgement of correspondence received sent out, scanned, indexed and filed in system within 2 working days		90%	90%	Yes	Yes	No	n/a



Action	Reason	Benefits to the Company	Benefits to the Customer
Monitor the turnaround of Local searches	As required under contract agreement. Monitor Performance levels to clearly indicate areas for improvement.	Identify performance against others.	Performance set against the contract and associated guidelines to achieve what the company sets out to achieve. Improve customer service delivery of planning applications

Service Level Indicator	2014 – 2015 Cheshire East achievements	Target set for 2015 – 2016	Target Set for 2016 - 2017	Schedule 1 KPI	Schedule 6 KPI	Possible Penalties	Target Achievement for the period
April to September 2016							
All Local searches turned around within 10 working days		100%	100%	Yes	Yes	No	100%
All Local searches turned around within 5 working days		95%	95%	Yes	Yes	Yes	99%
Expedited Searches turned around within 1 working day		100%	100%	Yes	Yes	Yes	100%
Standard Searches received (LLC1 and Con29)		5300	5300	Yes	No	No	5753
Non Standard Searches (LLC1, Con29R and Con29O)		1200	1200	Yes	No	No	1096
LLC1 Only		2200	Tbc	Yes	No	No	2299
Supplementary Questions		50	Tbc	Yes	No	No	u/a

*Commentary:* Improvements in this area, although small have been achieved by the company answering the “question 4’s Con29” previously undertaken by planning officers

Action	Reason	Benefits to the Company	Benefits to the Customer
Process requests for Street Names	Performance measures required under Agency agreement	Ensure satisfactory monitoring of performance.	Meet customer needs and expectations.

Service Level Indicator	2014 – 2015 Cheshire East achievements	Target set for 2015 – 2016	Target Set for 2016 - 2017	Schedule 1 KPI	Schedule 6 KPI	Possible Penalties	Target Achievement to end of month
Production of informal cabinet reports within 10 working days		100%	100%	Yes	No	No	100%

*Commentary:* None

#### 4.0 Contractual Finance position

Core Building Regulation and Land Charge income is managed and collected by Civicance Ltd on behalf of Cheshire East Borough Council (CEBC) under the terms of contract. That income is retained by CEBC within its accounts and forms part of the contract, **providing demanding achievement targets** for the Company. Any subsequent under/over achievement forms part of the contract profit share arrangement. Table 7 shows the income recorded by CEBC.

Table 7: CEC Recorded Income 2016/17

	Budget 16-17 (£'000)	2016-17 Outturn (£'000)	Variance 16-17 (£'000)	2015-16 Outturn (£'000)
Total	1,756	1,605	(151)	1,645

4.1 In 2016-17 there was an income shortfall in the CEBC target of £151k, which Civicance funded from Company profits. This includes a provision of £22k for debts that are over 6 months old. Most of the provision relates to a debt with Comfortable Conservatories. The income shortfall has increased by £41k in 2016-17, from £110k in 2015-16. This is largely due to a reduction in land charge income in 2016-17.

4.2 An under-lying pressure on the CEBC income budget for Building Control is offset by a surplus on land charges, to arrive at £151k. External factors such as changes in the housing market may impact on future income streams. In addition, from the 1<sup>st</sup> April 2017, Land Charge fees are subject to VAT. A decision was taken by the client, that half of the additional cost of VAT will be absorbed within current fees. This may impact on the ability of Civicance to raise land charge fees. The CEBC income targets have remained static since the Company started trading. A joint review of the income targets should be undertaken by the Company and the Authority within 2017-18, to ensure that they are robust for the future.



## **5.0 Staffing**

The company continues to operate with a number of vacancies. These will need to be managed accordingly throughout the year to coincide with the income figures expected by the Authority however this does place restrictions on the company's ability to develop new business areas, and also places greater pressures on existing members of the teams.