

Committee(s)	Dated:
Planning & Transportation	09/07/2019
Subject: District Surveyors Annual Report 2018/19	Public
Report of: Carolyn Dwyer, Director of the Built Environment	For Information
Report author: Gordon Roy, District Surveyor & Environmental Resilience Director	

Summary

The purpose of this report is to update the committee on the workings of the District Surveyor's office which reports to it for the purposes of building control, engineering services for the City's major infrastructure and to provide resilience to buildings and businesses within the square mile that maybe affected by environmental hazards. To provide members with a better understanding of the District Surveyor it is proposed to submit annual reports to the committee for information.

Recommendation(s)

Members are asked to:

- Members are asked to note the report as information.

Main Report

Background

1. The principle role of the District Surveyor's Service is to ensure that all building work complies with the requirements of the Building Act 1984 and the Building Regulations 2010. Building Regulations are minimum standards laid down by Parliament to secure the health and safety of people in or about buildings with an increasing emphasis on improving energy efficiency, sustainability and accessibility. The building control section is also responsible for notices submitted under Section 30, London Building Act (Amendment) Act 1939 for temporary demountable structures.
2. In offering this Building Regulation regulatory service within the City, the District Surveyor's Office is in direct competition with over 96 private firms operating as corporate Approved Inspectors authorised to offer a building regulations approval service. In the order of 20 of these competitors have targeted the City as an area for growth; attracting a wide range of clients.
3. In addition, Dangerous Structures within Inner London are dealt with under the London Building Acts 1930-1939. Responsibility for dealing with them is delegated, by your committee to the District Surveyor.
4. This service is provided on a continuous basis, 24 hours a day throughout the year to ensure public safety. A record of all calls is maintained on the CAPS Uniform software.
5. Other responsibilities placed upon the District Surveyor include:
 - Maintaining a register of all work under the control of Approved Inspectors.

- Registering certificates under the Competent Persons Schemes.
 - Processing and recording Demolition Notices.
 - Advice to the Community and Children's Services on Marriage Licence applications on the technical standards in relation to Health and Safety.
 - Advice to the Planning Service on major Planning Applications on the design of Sustainable drainage systems
6. Advice and guidance on technical and procedural requirements are made freely available to other areas of the City of London Corporation and the public upon request.
 7. The engineering team are responsible for the City's Bridges, Highway Structures and Statutory Reservoirs on which they report separately to your committee and Open Spaces Committees respectively. They also provide advice on major Infrastructure Projects to protect the City's interests.
 8. The Building Regulations are the primary means of government ensuring acceptable building standards and raising them when necessary.
 9. Following the Grenfell tragedy, the Government appointed Dame Judith Hackitt to conduct a review into the Building Regulations and Fire Safety. Her final report was issued on the 17th May 2018 with 53 recommendations on how the Building Regulations are to be administered, particularly to residential high-rise buildings over 10 storeys and how these buildings are to be managed over their life span.
 10. The Government has stated that it intends to implement all Dame Judith's recommendations, and is currently working with the construction industry to develop new working procedures and Gateways, new testing certification procedures, and identification of industry competency levels. This work is on-going and is due to report to Government by summer 2019.
 11. The Government remains concerned about fire safety, and in December 2018 introduced new Building Regulations regarding cladding to high rise residential buildings over 18m, requiring them to be constructed of non-combustible materials. A report was submitted to your Committee for information at that time.
 12. Further changes to the Building Regulations and fire safety are expected over the next 18 months, but in the meantime the District Surveyor continues to work with Community and Children's Services to ensure the highest standards of fire safety are installed within the Corporations housing stock.

Current Position

13. As referenced earlier in the report the Building Regulations function of the District Surveyor's office is open to extensive competition. This competition has steadily increased since its introduction to the commercial market in 2001.
14. The workload into the office is affected by the fluctuating extent of building work within the City as much as it is by the degree of challenge from private competitors. Table one shows the number of applications and Initial Notices received by the City District Surveyors office over the years 2015 to 2019. It also shows the market share percentage enjoyed by the District Surveyors for each of these years, which remains fairly steady.

Table 1

Market Share				
	Yr. 2015/16	Yr. 2016/17	Yr. 2017/18	Yr. 2018/19
City of London Applications	266	216	248	244
Initial Notices Received	750	763	773	791
Total Number of Applications	1016	979	1021	1035
City of London Market Share	26%	22%	24%	24%

15. The market share is only one way to measure the amount of work. From an analysis of the Initial Notices received, the vast majority of the work that Approved Inspectors are employed on is generally office and shop fitouts. The District Surveyors office is employed on the full spectrum of construction work with approximately 70% of the new buildings requesting the District Surveyors provide the Building Regulation service.

16. A summary of the Building Control workload is shown in table two:

Table 2

Building Control Stats				
	2015/16	2016/17	2017/18	2018/19
Corporate Complaints	1	0	0	0
Jobs Commenced	263	224	237	205
Jobs Completed	197	138	188	142
Full Plans Applications Submitted	183	126	159	110
Building Notice Applications submitted	66	66	63	73
Partnership Applications	6	11	9	24
Regularisations	11	13	17	28
Cross Boundary	N/A	N/A	N/A	9
Total Number of Applications	266	216	248	244
Competent Person Notifications	472	333	739	827
Dangerous Structure Call Outs	27	32	29	33
Site Inspections	1812	1457	1603	1537
Income	£1,353,248	£1,295,411	£874,660	£957,150
Market Share	26%	22%	24%	24%

17. Total workload in the year 2018/19 remains healthy but analysis was undertaken on applications received in a calendar year and their respective fee income was plotted and the results are found in table three:

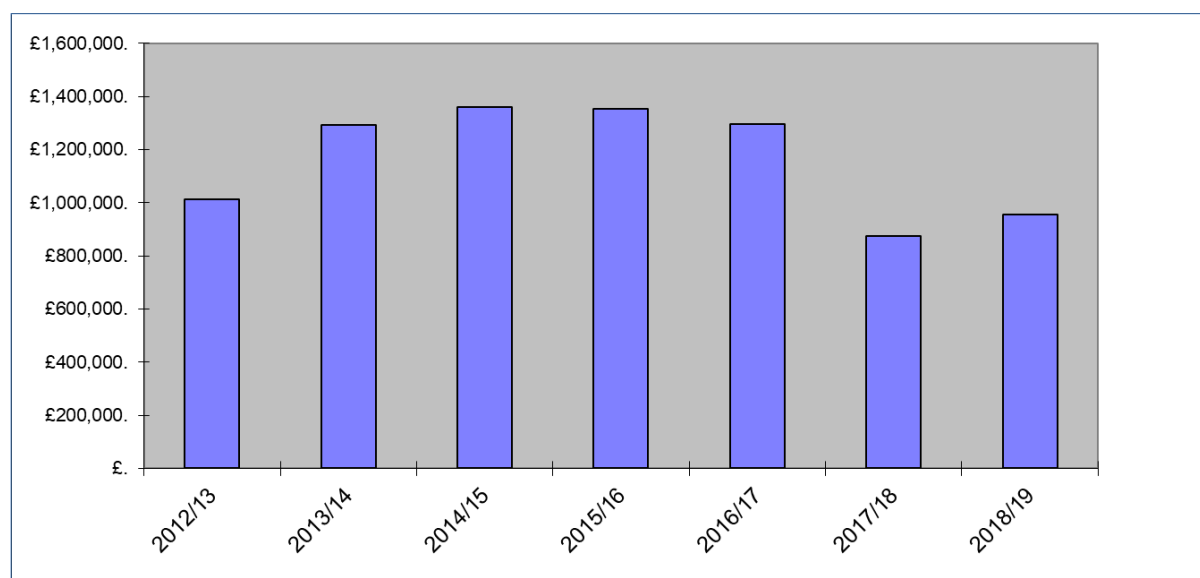
Table 3

Year	Number of Applications	Fees Generated
2012	303	£1,064,276
2013	322	£1,782,056
2014	282	£1,176,908
2015	280	£1,210,007
2016	228	£847,099
2017	236	£531,836
2018	246	£778,279

18. Large scale development within the City of London occurs over a number of years, and the associated fee income for these projects is received over this time, rather in a single payment. When just looking at overall income for a particular year as shown in Table 2, the fee income is from new as well as old applications which are currently in the process of being constructed. When analysis is undertaken over just a calendar year, you can see that something happened to the market in 2016. One particular application was submitted in this year which related to 22 Bishopsgate, which allows for nearly half of the fees generated that year. If this single fee was removed it would suggest that the market for new construction paused in 2016 around the time of the Brexit referendum.
19. Since this time, there has been a slow recovery, and we are monitoring the situation, ensuring our service is marketed effectively and in particular to those developers who have received planning consent, but as yet have not started construction.
20. Dangerous structure call outs remain constant over the last three years with no significant dangerous structures that required our specialist contractor to be called out. 33 reported dangerous structures were investigated in 2018/19.
21. Other areas where Building control services have been requested include:
 - Special and Temporary and Special Structures-(including structures for the Lord Mayors Show)- 32 applications.
 - Approvals in Principal for Engineering Team- 15 applications.
 - Marriage Act applications to carryout a technical assessment for the premises prior to a Licence being issued- 18 applications.
 - Fire Risk Assessments- 6 applications
 - Sustainable Urban Drainage System (SuDS)- providing the technical advice and assessment for major planning applications- 39 applications.
 - Demolition Notices- 4.
22. The reduction in Demolition Notices from 12 in 2017/18 to 4 in 2018/19 and the reduction in AIP applications 29 in 2017/18 to 15 in 2018/19, demonstrates that there has been a fluctuation in major construction activity within the City.
23. The engineering team is also affected by varying developer workload but the last year has also seen the continuation of tunnelling for the Bank Station Upgrade, which is being closely monitored, particularly its effect on Mansion House. The Assistant Director Engineering has been accepted as an Interested Party for the Coroner's Inquest for the terrorist attacks at London Bridge and has been helping preparing documents and Witness Statements, and is currently supporting colleagues called as witnesses

24. Income in the year 2018/19 was lower than expected, but analysing workload, there is a slow recovery from the effects of 2016, and two large projects not submitting their applications until April 2019, which will be included in 2019/20 figures (6-8 Bishopsgate and 1 Leadenhall).
25. The cost of work is only one measure of the workload to the office with the number of applications and the duration of the contract also important factors. Large developments have extended contract periods which spread work over several years. With the fees being taken in stages the fee intake provides a better measure of the work carried out by the office at a time. Table four shows income from 2012 to 2019.

Table 4



26. Fees and charges for Building Regulation work are governed by The Building (Local Authority Charges) Regulations 2010 and the City are required to approve a Building Regulation Charges Scheme. In 2010 the charges scheme was approved and was reviewed annually to ensure the principles of the Regulations, to ensure full cost recovery of the service, was being maintained. In March 2018 a report was submitted to your committee recommending a new charges scheme, for commencement from April 2018. This proposal was agreed and has been implemented from the 1st April 2018, resulting in higher fees for smaller projects and a new hourly rate of £107 per hour for larger projects.
27. Income for the year 2018/19 has been analysed against time spent on each project and the fees contained in the 2018 Charges Scheme remain adequate to ensure full cost recovery for each application even with a 2% increase in staff costs. This is due to efficiencies made to working procedures.

Major Projects that Completed in 2018/19

28. A number of the Building Control team's major projects completed in 2018/19 and these included:
- London Wall Place
 - Aldgate Pavilion
 - Great Arthur House

29. A significant piece of the work last year, for the engineering team was working with Thames Tideway Tunnel to ensure the construction of the tunnel and the shaft at Blackfriars does not have a detrimental effect on the Bridge House Estates bridges. Also following the acquisition of Thames Court Footbridge we have completed the necessary strengthening works to replace the cable stays and minimal maintenance, and we re-opened the footbridge on the 27th May 2019. Unfortunately, this was not by the original deadline of December 2018, because the condition of the bridge was worse than originally thought.

Staff

30. Last financial year saw the appointment of Gordon Roy as the District Surveyor and Environmental Resilience Director following the retirement of Bill Welch in June 2017. Responsibility for managing the Division was temporary passed to the two Assistant District Surveyors for Building Control, and to the Assistant Director Engineering for the engineering team until this appointment.
31. The District Surveyors Division has a team of 30, 25 within Building Control team and 5 within the engineering team. The Building Control team has a number of officers of various seniority and specialisms to reflect the work we do. These include structural engineers, chartered surveyors, fire engineer, services engineers and a dedicated drainage surveyor. All members of the engineering team are civil engineers.
32. Following the publication of the Hackitt Review that raised issues on the competency of the construction industry, the Division has reviewed its team members to ensure it can demonstrate that it is competent. Additional training has been undertaken where necessary, and the additional training has also resulted in:
- One becoming a “Member” of the Chartered Institution of Civil Engineers
 - One becoming a “Fellow” of the Chartered Institute of Structural Engineers.
 - Three passing a new LABC Fire Safety Competence Validation test and becoming Associated Members of the Institute of Fire Engineers, and
 - One completing the DBE Talent Management programme.
33. The development of staff remains a high priority to ensure an excellent and competent service.
34. This year will see the Building Control team starting a Building Control Apprentice on a four year training programme, with a plan to add additional apprentices to this over the coming years. This will provide resilience to the Division, where recruitment can be extremely difficult.
35. We continue to actively seek out potential clients and win new work, with applications recently received for the development of 6-8 Bishopsgate, and 1 Leadenhall. We are continuing to work closely with major landowners and other neighbouring boroughs and are currently providing advice on two projects which are outside the City. These are Elizabeth House at Waterloo, and Euston Tower with British land.
36. We are optimistic for the future and continue to market the service at every opportunity.

37. The London District Surveyors Association (LDSA) represents the heads of Building Control in the 33 London authorities. The District Surveyor office continues to support the work of the LDSA and is represented on all its major committees, including its executive committee.
38. To help steer both the regulatory format and technical standards, staff participate in full consultation with government and have been involved with the industry committees and working parties following the Hackitt enquiry regarding fire safety. We also take part in a number of British and European Standards committees and panels.
39. Close working with the London Fire Brigade ensures a coordinated response on fire related issues is fed back to clients.
40. To develop staff and promote good relations between ourselves and client's secondment of staff in both directions is encouraged. Recent secondments include Arup Fire.
41. Regular reviews of our workload and performance are carried out and reviewed in the light of regular customer surveys.
42. Performance standards are measured by means of Key Performance Indicators which indicated in table five, KPI's 2019. All indicators above target.

Table 5

	LBC1	5 week apps 90% within 19 working days			LBC2	8 week apps 90% within 26 working days			LBC3	Completion Certificates Issued 85% within 10 working days		
		Apps.	Success	%		Apps.	Success	%		Final Inspections	Success	%
2018/2019												
Apr		7	5	71%		7	7	100%		10	10	100%
May		3	3	100%		8	8	100%		18	18	100%
Jun		3	2	67%		4	4	100%		10	10	100%
Jul		4	4	100%		5	4	80%		5	4	80%
Aug		2	2	100%		6	6	100%		9	9	100%
Sept		4	4	100%		2	2	100%		11	11	100%
Oct		2	2	100%		6	6	100%		9	9	100%
Nov		7	7	100%		5	4	80%		19	19	100%
Dec		3	3	100%		1	1	100%		5	5	100%
Jan		3	3	100%		7	6	86%		14	14	100%
Feb		0	0	100%		9	9	100%		5	5	100%
Mar		1	1	100%		7	5	71%		17	17	100%
YEAR TOTAL		39	36	92%		67	62	93%		132	131	99%

43. The Building Control division operate a Quality Management System which was externally audited in August 2018 and received re-accreditation following its change from ISO 9001:2008 to ISO 9001:2015. This re-accreditation of the Building Control Quality Management System means that the division has been providing an accredited management system, continuously for 25 years.
44. The District Surveyor's office uses the Building Control module of CAPS Uniform software to record all applications and records. This is the same software that the Planning department use for their purposes. The use of a common system enables easy abstraction of information for building searches and shared information. This software due for replacement late 2020 as part of the corporate IDOX/M3 replacement programme.

Highlights

45. The LABC London Building Excellence Awards 2019 were held on the 11th May 2019, where 4 City of London projects were nominated. They included London Wall Place, Aldgate Pavilion, PFA Headquarters and works to Bank Underground Station capacity upgrade.
46. On the night the City had two winners. Aldgate Pavilion for the best Public Service building, and London Wall Place for the best Large Commercial building. Both will now be automatically entered for the National Building Excellence Awards.

Conclusion

47. This report describes the background of building control and the engineering team within the City of London and the work of the District Surveyor's office over the last year and looks positively forward to the challenges ahead.

Appendices

- None

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