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| Committee(s): Planning and Transportation | Date: July 2018 |
| Subject: District Surveyors Annual Report 2017/18 | Public |
| Report of: Carolyn Dwyer, Director of the Built Environment | For Information |
| Report author: Gordon Roy, Assistant District Surveyor | |

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 and engineering services for the City's major infrastructure. To provide members with a better understanding of the District Surveyor and proposes to submit annual reports to the committee for information.

Recommendation

Members are asked to accept this report be received 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.
6. Advice and guidance on technical and procedural requirements is made freely available to other areas of the City of London Corporation and the public upon request.
7. The engineering team joined the District Surveyors Division in 2014 and 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. The most frequently and significantly changed area is Part L with standards being regularly up rated as part of the measures required to meet government targets on CO² emissions.
10. Following the Grenfell tragedy, the Government appointed Dame Judith Hackett to conduct a review into the Building Regulations and Fire Safety. Her interim report has acknowledged evidence provided by several consultees that competition from the Approved Inspectors has had an adverse effect on compliance of the Regulations.
11. Following the publication of the Interim Report, The Assistant District Surveyors have attended a number of workshops and provided advice on Building Regulation matters to the committees and working groups set up by Dame Judith for the preparation of the final report.
12. Dame Judith Hackett issued her Final Report on the 17th May 2018 which made a number of recommendations in how the Building Regulations are administered, particularly to residential high-rise buildings over 10 storeys and how these buildings are managed over their lifespan. The report may also lead to changes in Part B Fire Safety. Further developments from the Government are expected over the following few months.

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. The following table shows the number of applications and Initial Notices received by the City District Surveyors office over the years 2015 to 2018. It also shows the market share percentage enjoyed by the District Surveyors for each of these years.

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

Table 1

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 fit-outs. The District Surveyors office is employed on the full spectrum of construction work with approximately 95% 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 2.

| Building Control Stats | | | | |
|--|--|------------|------------|----------|
| | | 2015/16 | 2016/17 | 2017/18 |
| Corporate Complaints | | 1 | 0 | 0 |
| Jobs Commenced | | 263 | 224 | 237 |
| Jobs Completed | | 197 | 138 | 188 |
| Full Plans applications Submitted | | 183 | 126 | 159 |
| Building Notice applications submitted | | 66 | 66 | 63 |
| Regularisations | | 11 | 13 | 17 |
| Partnership applications | | 6 | 11 | 9 |
| Total number of applications | | 266 | 216 | 248 |
| Competent Person Notifications | | 472 | 333 | 739 |
| Dangerous Structure call outs | | 27 | 32 | 29 |
| Site Inspections | | 1812 | 1457 | 1603 |
| Income | | £1,353,248 | £1,295,411 | £874,660 |
| Market Share | | 26% | 22% | 24% |

Table 2.

17. Total workload in the year 2017/18 remains healthy but fluctuates on a year to year basis. This demonstrates the fluctuating market of the construction industry.

18. Dangerous structure call outs remain constant over the last three years with no significant dangerous structures that required our dangerous structures contractor to be called out, reported. 29 reported dangerous structures were investigated in 2017/18 including one on Christmas Day 2017.

19. Other areas where Building control services have been requested include:

- Special and Temporary and Special Structures-(including structures for the Lord Mayors Show)- 27 applications.
- Approvals in Principal for Engineering Team- 29 applications.
- Marriage Act applications to carryout a technical assessment for the premises prior to a Licence being issued- 17 applications.
- Fire Risk Assessments- Including the Old Baily- 8 applications
- Sustainable Urban Drainage System (SuDS)- providing the technical advice and assessment for major planning applications- 24 applications.
- Demolition Notices- 12.

20. The engineering team is also affected by varying developer workload but the last year has also seen the commencement of tunnelling for the Bank Station Upgrade. The workload of the team is balanced to match their capacity.

21. Income in the year 2017/18 was lower than expected, but analysing workload, this drop in the income can be associated with a small number of on-site projects falling behind schedule, therefore we were unable to recover our projected fees for the year 17/18. To prevent construction delays affecting income in the future, we have introduced a revised fee collection procedure to collect fees for large scale projects every quarter, rather than just once a year.

22. 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 3 shows income over a number of years.

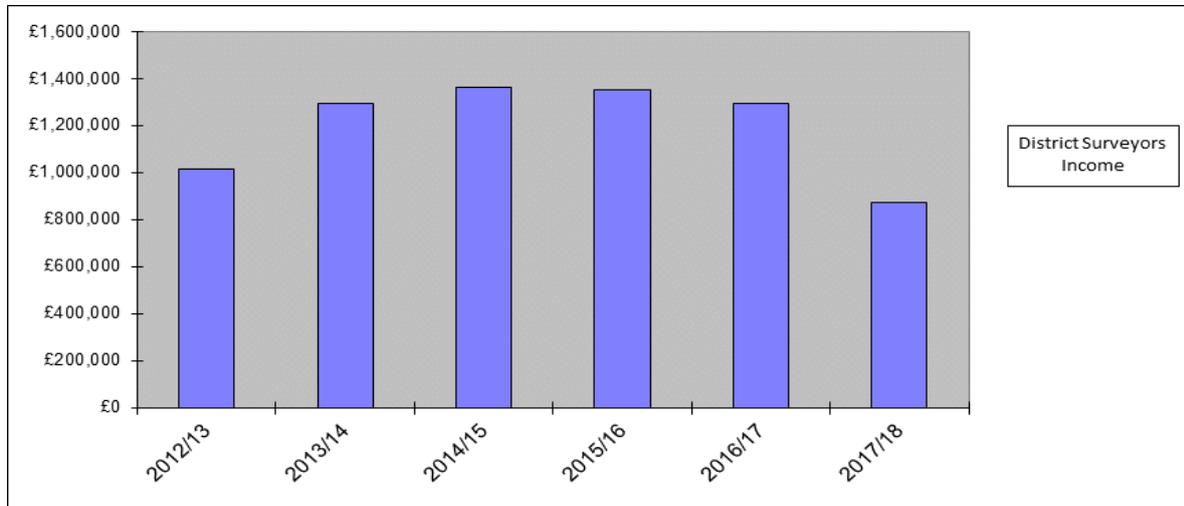


Table 3 Income 2012 to 2018

23. 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.

24. Income for the year 2018/19 will be closely monitored to ensure actual and projected income are on target.

Major Projects that Completed in 2017/18

25. A number of the Building Control team's major projects completed in 2017/18 and these included:

- Bloomberg's
- Creechurch Place
- 181 Queen Victoria Street

26. A significant piece of the work last year, for the engineering team was working with the Metropolitan Police to help their installation of the security measures on the River Crossings to ensure that these were not injurious to the Bridges.

Staff

27. Last financial year saw the retirement of the District Surveyor, Bill Welch in June 2017, with the responsibility for managing the Division being temporary passed to the two Assistant District Surveyors for Building Control functions, and to the Assistant Director Engineering for the engineering team.

28. 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, services engineers and a dedicated drainage surveyor. All members of the engineering team are civil engineers.

29. In addition to losing the District Surveyor, the Building Control team has also lost 3 members of staff and has successfully refilled two of these positions in a very difficult recruitment market.

30. The number of suitably experienced and qualified persons capable of carrying out the Building Control service in the City has reduced significantly providing a much-reduced pool of talent to recruit from. This is due to several factors including the lack of trainee recruitment across London, the rise in the number of Approved Inspectors operating, retirement of experienced staff and reduced pay differentials.

31. The engineering team are down by one engineer after negotiating the priority of one Engineer dedicated to the Thames Tideway Project at their expense.

32. As a measure to retain existing staff and increase the chance of recruiting externally market forces supplements were introduced in July 2008. Even with this local increase in salary the recruitment of suitable staff at the salary grades available is proving extremely difficult. No market supplement is paid to the engineering team engineers.

33. Customer expectations are increasing due to the competitive nature of building control and we continue to spend a significant amount of our training budget on technical and customer procedure training.

34. The development of staff remains a high priority to ensure excellent service.

35. We continue to actively seek out potential clients and win new work, with applications recently received for the development of the properties at Linsey Street and Moorfields which are over the new Crossrail stations. Discussions are

continuing with the developers of 6-8 Bishopsgate/150 Leadenhall, and 1-2 Broadgate and we are hopeful of securing both.

36. Other potential future work may also include, the Museum of London relocation, with a bid already submitted to provide the Building Control Service, and a bid will be submitted shortly to the London Legacy Company for the Stratford Waterfront development, for which the City is already providing the pre-application advice. Other markets are also being explored in partnership with other neighbouring boroughs.
37. The District Surveyors office has also been reviewing alternative models to deliver its building control service to enhance service delivery. This initial review is complete, and report is currently being prepared for submission to Summit Group.
38. We are optimistic for the future and continue to market the service at every opportunity.
39. 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.
40. To help steer both the regulatory format and technical standards staff participate in full consultation with government and have been involved with the review to the Hackett enquiry. We also take part in a number of British and European Standards committees and panels.
41. Close working with the London Fire and Emergency Planning Association (LFEPA) ensures a coordinated response on fire related issues is fed back to clients.
42. 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.
43. Regular reviews of our workload and performance are carried out and reviewed in the light of regular customer surveys.
44. Performance standards are measured by means of Key Performance Indicators which indicated in table 4. All indicators above target.

| | KPI'S | | | | | | | | | | | |
|-------------------|-------------------|---------------|-----------------|-------------|---------|------|-------------|---------|------|--------------------------------|---------|------|
| | Total no of apps. | Total success | Total success % | 5 week apps | | | 8 week apps | | | Completion Certificates Issued | | |
| | | | | Apps. | Success | % | Apps. | Success | % | Final Inspections | Success | % |
| 2017/2018 | | | | | | | | | | | | |
| Q1 | 43 | 40 | 93% | 15 | 15 | 100% | 28 | 25 | 89% | 38 | 36 | 95% |
| Q2 | 47 | 44 | 94% | 20 | 18 | 90% | 27 | 26 | 96% | 47 | 47 | 100% |
| Q3 | 22 | 22 | 100% | 9 | 9 | 100% | 13 | 13 | 100% | 31 | 29 | 94% |
| Q4 | 30 | 28 | 93% | 15 | 13 | 87% | 15 | 15 | 100% | 43 | 41 | 95% |
| YEAR TOTAL | 142 | 134 | 94% | 59 | 55 | 93% | 83 | 79 | 95% | 159 | 153 | 96% |

Table 4. KPI's 2018

45. The Building Control division operate a Quality Management System which was externally audited in December 2017 and received a very satisfactory pass. By September 2018 the Quality Management System will be updated to the ISO 9001:2015 system where it will require to be audited and recertificated.
46. On completion of the transfer to ISO 9001:2015 the engineering team procedures will be added to the new QMS system to further integrate the team in to the Division.
47. 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.

Highlights

48. The LABC London Building Excellence Awards 2018 were held on the 11th May 2018, where 4 City of London projects were nominated. They included Bloomberg's, Creechurch Place, Levels 3&4 Monument Building, Principle Place, Shoreditch, which was carried out by the City on behalf of Hackney, and Bank of America at 2 King Edwards Street.
49. On the night the City had two winners. Bloomberg's for the best Inclusive Building and Bank of America for the Best Small Commercial.
50. Our surveyor, Jon White qualified as a Chartered Fire Engineer.
51. The engineering team also had a very successful year last year collecting a number of national awards for the Tower Bridge redecking Project and the Hampstead Heath Ponds Project.

Conclusion

52. 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.

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