

Scottish Government  
Audit  
of  
South Ayrshire Council's  
Building Standards Service

18 - 19 March 2010



## INTRODUCTION

1. This audit report covers the operation of South Ayrshire Council's Building Standards Service (the Service) in carrying out its verification function.
2. The new Scottish building standards system came into force on 1 May 2005 and the 32 Scottish local authorities have been appointed as sole verifiers for their respective geographical areas for a period of 6 years. The Scottish Government's Building Standards Division (BSD) has been appointed to audit the Scottish verifiers approved under Section 7(1) of the Building (Scotland) Act 2003.
3. The Scottish verifiers have agreed with the BSD a balanced scorecard of five perspectives. These are: public interest, private customer, internal business, continuous improvement and finance. For each perspective the Scottish verifiers will individually identify their own actions and supporting information.
4. The audit process consisted of:
  - a. The Service's submission of a balanced scorecard incorporating five perspectives;
  - b. The Service's submission of evidence to support the balanced scorecard;
  - c. BSD review of the balanced scorecard and supporting evidence; and
  - d. BSD on-site assessment including interviews with key staff, inspection of administration systems and random sampling.
5. The on-site assessment took place at the Building Standards office located in Ayr on 18 and 19 March 2010.
6. Standardised commentary and marking will be applied to each section of the balanced scorecard. The BSD assesses the verifier's balanced scorecard against the evidence provided. The appropriateness or otherwise of the actions and supporting information have not been assessed.
7. The markings will be:

<b>Excellent</b>	-	<b>Major strengths</b>
<b>Good</b>	-	<b>Strengths outweigh weakness</b>
<b>Satisfactory</b>	-	<b>Strengths balance weakness</b>
<b>Cause for concern</b>	-	<b>Weaknesses outweigh strengths</b>
<b>Serious cause for concern</b>	-	<b>Major weakness</b>

8. Any discrepancies or areas of disagreement on matters of fact have been agreed with the verifier and further explanation provided as required.
9. The audit report will detail the findings of the investigation. If any of the five areas is graded 'serious cause for concern' or two or more gives 'cause for concern' a follow-up audit will be undertaken within three months. The follow-up audit may

possibly be conducted by a different team depending on availability. However, it is expected that immediate corrective action is taken on any area graded 'serious cause for concern'. If one area gives 'cause for concern' a follow-up audit will be undertaken within six months. The timing of any follow up audit inspection and action points will be agreed in advance.

	<b>Action by verifier</b>	<b>Follow-up audit</b>
Any of the five areas is graded 'serious cause for concern'	Immediate	Within 3 months
Two or more areas give 'cause for concern'	Within 1 month	Within 3 months
One area gives 'cause for concern'	Within 3 months	Within 6 months

10. The following information describes the Service:

### **South Ayrshire**

South Ayrshire is situated in the south west of Scotland, and covers an area of 1,222 square kilometres, extending from Troon and Symington in the north to Ballantrae and Loch Ryan in the south. South Ayrshire is an attractive area, with a mix of agricultural land, woodlands and forests, and a long coastline. Combined with these natural features, it offers a range of historical and leisure attractions, including the Burns National Heritage Park, Culzean Castle, world famous golf courses at Turnberry and Royal Troon, and Ayr Racecourse.

Seventy per cent of the 111,670, inhabitants live in the towns of Troon, Prestwick and Ayr and the rest of the area is predominantly rural. The main centres of population have good transport links to both central Scotland and other European countries and benefits from Glasgow Prestwick International Airport and two sea ports (Ayr and Troon). South Ayrshire has relatively low unemployment compared to other parts of Scotland, residents generally have good health and longer life expectancy, higher educational attainment, and there are lower levels of deprivation and crime.

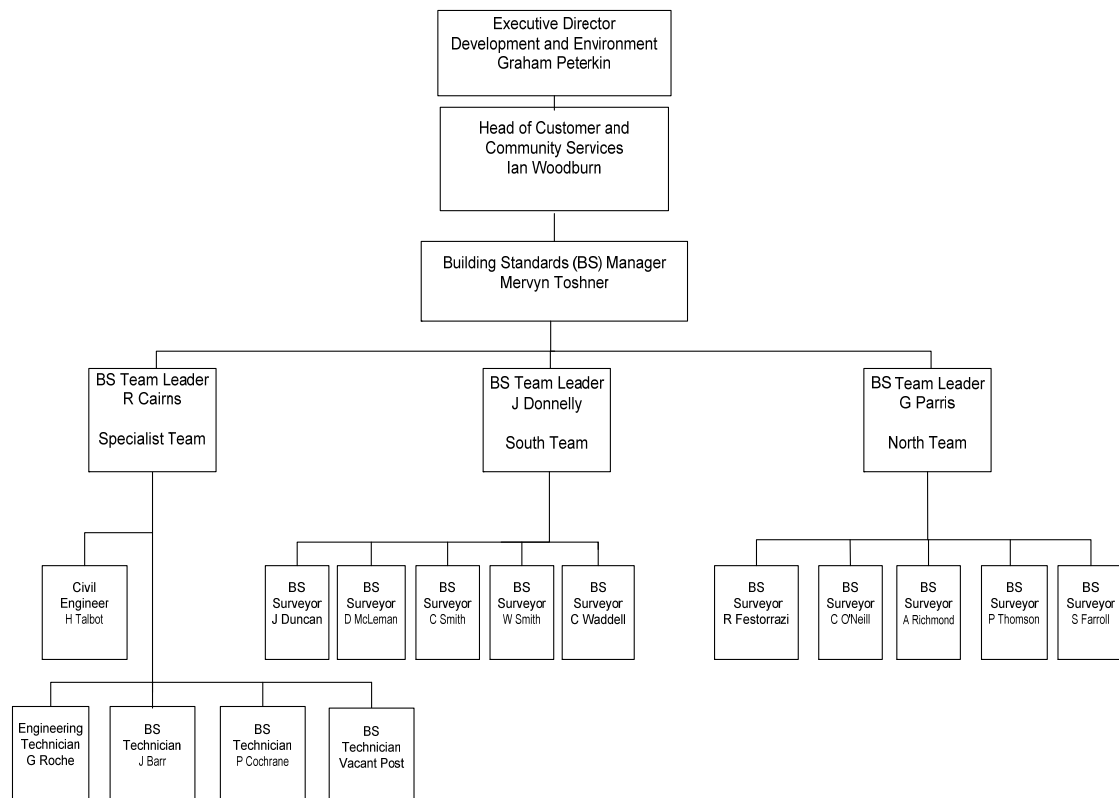
Over the last decade, economic output in South Ayrshire has increased significantly (mainly due to the aerospace industry, the growth in tourism and an expansion of the retail and public sectors) and output per head in South Ayrshire is ranked sixth highest in Scotland.

### **Building Standards**

South Ayrshire Council's Building Standards service is based in Burns House, Ayr and provides key front line services directly to the community. The main functions and responsibilities of the service are: Building Warrants; Building Safety and Regulation; Housing Grants; Licensing (including consultancy work); Street Naming

and Numbering; Safety of Sports Grounds; Engineering Services; Flood Prevention; Safety of Reservoirs; Disability Issues, and Property Enquiries.

The Council has 3 Directorates and Building Standards is part of the Council's Development & Environment Directorate and sits within the Customer & Community Service. The management structure was revised in 2009 approving changes to the 3<sup>rd</sup> and 4<sup>th</sup> tiers resulting in the removal of a tier of senior staff, replacing 2 Group Leaders and 2 Area Building Standards Surveyors, with 3 Team Leaders. The chart below indicates the new arrangement.



There are 23 staff dedicated to the Building Standards service – 19 technical/professional/managerial (one unfilled vacancy) and 4 administration staff. The responsibility for management of the service rests with the Building Standards Manager supported by three Team Leaders. Building Standards Surveyors are split into two geographically based teams, North and South of the River Ayr and each team has a Team Leader. The third team providing specialist services comprises engineering staff and technicians supporting the Building Standards Surveyors.

### Shared Services and Consortium Working

East Ayrshire, North Ayrshire and South Ayrshire Councils have agreed that as part of the Shared Services agenda in the area of Regulatory Services that the preferred option is for a Joint Ayrshire Regulatory Services with Building Standards, Environmental Health and Trading Standards being brought together into a single

Pan-Ayrshire Regulatory Service (PARS). It is anticipated that the new organisation, an integrated service with a single operational unit managed by one Lead Authority, will become fully operational in 2011. The development of PARS extends the work initiated by the AYRSHARE Working Group previously formed by the 3 Ayrshire Council's Building Standards services to unify the delivery of Ayrshire Building Standards services. AYRSHARE, along with Dumfries and Galloway Council, agreed to form a Building Standards Consortium to carry out Peer Group Reviews so that the Council can continue to verify its own work. The Scottish Minister issued a Direction on 24<sup>th</sup> April 2008 allowing this verification work to continue with the work being scrutinised by the newly formed Consortium.

The Consortium's first report was submitted to the Scottish Government on 30<sup>th</sup> June 2009 and accepted.

### **Finance and Volumes**

The estimated revenue budget for Building Warrant fee income for 2008-2009 was £736,664. The actual Building Warrant fee income for 1591 applications in 2008-2009 was £622,123 resulting in an under recovery of £114,541. The total estimated value of work in 2008-2009 was £87,775,167.

The estimated revenue budget for Building Warrant fee income for 2009-2010 was £607,064. The actual Building Warrant fee income for 1304 applications in 2009-2010 was £639,065 resulting in an over recovery of £25,717. The total estimated value of work in 2009-2010 was £122,247,783.

## **PERSPECTIVE 1 – Public Interest**

*Verifiers will have in place risk management protocols which will determine the management of work on building warrants and completion certificates.*

- *Introduce a risk based approach to plan vetting and site inspections*
  - *1<sup>st</sup> phase distribution of workload (delivering an equitable service across surveyors and teams)*
  - *2<sup>nd</sup> phase risk assess the allocation of Building Warrants. Review and further develop the existing risk management protocol for Building Warrants and Completion Certificates*
  - *3<sup>rd</sup> phase risk assessment for level of inspection of work in progress where the level/frequency of inspection is identified at issue of Building Warrant*
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### **Audit Findings**

1.1 The Building Standards Service is part of the Development and Environmental Directorate located in Burns House, Ayr. The Service consists of 19 staff, a Building Standards Manager (BSM), 3 Building Standards Team Leaders (BSTL), Building Standards Surveyors (BSS), Engineers and Technicians. The Service has three teams and is divided into two operational areas. One team covers the northern geographic area and one covers the southern area. The third team provides specialist engineering support across the whole service and includes the technicians. Administration support is provided as part of the central administration resource with three staff plus their manager dedicated to the building standards service. All building standards technical and administration staff are based in the same office and a close working relationship between teams was clearly evident.

1.2 The recent Council's corporate reorganisation resulted in changes to the building standards Service and increased the 3<sup>rd</sup> tier management structure from two to three team leaders (BSTL). The new appointments were recently filled by internal staff and so some aspects of the new responsibilities have yet to be fully embedded.

1.3 The Service has had risk based protocols in place for some time covering the allocation of building warrant applications and completion certificate submissions. These have now been formalised. Building warrant applications are distributed initially by the north area/south area geographical split. The area BSTL then assesses and validates the application, and allocates the case to the BSS. BSTLs can also identify at this stage any building warrant applications for 'fast-tracking' which is covered under the private customer perspective. Once allocated, the case BSSs can also reprioritise simple routine applications in order to maximise efficiencies.

1.4 The building warrant allocation by BSTLs takes account of various factors such as the type of work or building (eg minor works, hospitals, educational or industrial). Other factors are the BSSs familiarity with the site (eg Prestwick Airport), their workload or their availability. The BSTLs monitor the workload of both their team and their individual BSSs using workload reports from the Uniform IT management information system. When necessary (eg fluctuations in workload),

building warrant applications have been allocated between the north and south teams. Team working is also promoted for major projects when appropriate for example West of Scotland University Campus and the PPP schools projects. In the case of the PPP schools the team was made up of staff from the north and south teams.

1.5 The Service presently benefits from having a very high level of experienced and qualified staff who have been in the Service for many years. The building warrant allocation protocol reflects established working practices and has now been formalised in conjunction with staff. It is based on clearly identifiable surveyor competencies and a range of complexity of work factors for domestic and non-domestic buildings. Currently, due to the expertise of the current staff, the protocol is predominantly used to manage the distribution of work. As a result, the Service has not been able to fully test the formalised protocol in respect of less experienced staff.

1.6 The allocation of completion certificates is again initially based on the north/south area split. Completion certificates are usually allocated to the case BSS who dealt with the warrant. When unavailable or on holiday the completion certificate may be reallocated to another BSS. A check sheet for accepting completion certificates has been introduced recently to ensure consistency and continuity. The check sheet is based upon and expands the example considered as part of the Service's benchmarking work. However it is to soon to have evaluated its effectiveness. 'Late' completion certificates are dealt with similarly to building warrants.

1.7 Site inspection risk based protocols are in place and allow case BSSs to consider complexity of work, workloads and local knowledge, although any 'planned' inspection regimes are not recorded on individual files. These protocols have been further developed and proposals include an inspection plan. Staff were consulted on these in Autumn 2009, and a decision to implement formal inspection plans is being deferred until new less experienced staff are employed. However, a simplified approach to recording inspection plans may be introduced following further consultation with staff.

1.8 The Service has protocols for the verification of electrical installations based on the guidance issued by BSD and Scottish Association of Building Standards Managers (SABSM). Installations are expected to be carried out by an Approved Certifier of Construction or a competent person.

1.9 The Service has a protocol for dealing with alternative solutions for compliance with the functional standards with recommendations by BSSs considered and signed off by the BSTLs and BSM.

1.10 The Engineering Team deals with the structural aspects of building warrant applications which includes validating certificates from an Approved Certifiers of Design and they check structural designs and calculations that are submitted. They can advise on all structural matters and record site investigation histories on the Council's GIS system. They also provide drainage advice, for example sustainable urban drainage systems and soakaways. The Engineering Team benefits the Service by providing prompt in-house checking of structural designs and calculations

and the ability to visit site if necessary. The team is now undertaking the structural checking of building warrants for East Ayrshire Council. The Service has in-house fire-engineering expertise that again supports the building warrant assessment process.

1.11 As previously noted, the Service has a high level of expertise and as such has not seen the need to undertake formal year on year quality sampling of building warrants granted or completion certificates accepted. However a level of qualitative checking is in place due to all outgoing correspondence being signed by the BSM or Engineering Team Leader (plus the other two BSTL from April 2010). This includes correspondence covering building warrant vetting, site inspection issues, building warrant granting and completion certificate acceptance. A scheme of delegation has recently been developed but not yet rolled out and the Service is further considering these issues particularly in light of the proposals for BSSs to issue 'on-site' completion certificate acceptance.

1.12 A qualitative sampling check was carried out following the introduction of changes to building standards in 2007. The Service checked a selection of projects that had been subject to the 2007 changes which were restricted to the plan vetting stage and issues arising from the checks were subsequently actioned. They plan to carry out a similar exercise following the implementation of the 2010 changes to be introduced in October 2010.

1.13 A sample of building warrant applications was tested and a number of surveying staff interviewed and protocols were understood and consistently followed.

- The Service has an experienced and established team and risk management is embedded
- A range of risk management protocols are in place but some aspects have not been fully tested yet
- Consistency in Service delivery is ensured through excellent team working and flexibility in workload allocation
- The Engineering Team adds considerable value to the Service
- An opportunity exists to extend the currently limited delegation

**OVERALL MARKING - GOOD**

## **PERSPECTIVE 2 – Private Customer**

*Verifiers will have in place by 30 September 2006 the principles of a customer charter which encompasses areas such as:*

- *guidance to stakeholders,*
- *accessibility of service,*
- *measurable performance targets,*
- *customer views.*

### **Actions intended to be taken by verifier:**

- *Publish and review Customer Charter*
- *Publish AYRSHARE customer information Building Warrant folder*
- *Monitor a range of performance measures*
- *Interact with customers, for example develop Customer Focus Groups*
- *Carry out a stakeholder analysis and implement a protocol for stakeholder consultations*
- *Make staff available for pre-Warrant submission consultations for preliminary enquiries and larger projects*
- *Develop and maintain web based Building Standards register. Set up tracking facility to show progress of Building Warrant – from submission through to acceptance/rejection of a completion certificate*
- *Produce and make readily accessible information and guidance to assist users and potential users of the service*
- *Develop web enabled documents*
- *Develop and implement a procedure for exempt work enquiries*

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## **Audit Findings**

2.1 The Service's original Customer Charter was developed in 2004 following the corporate format. It has been updated by staff on a number of occasions to reflect minor changes in department structure. The Customer Charter includes a range of service standards, for both verifier and non verifier activities.

2.2 In January 2009 consultation with AYRSHARE stakeholders informed the production of a joint AYRSHARE Customer Charter. This joint approach is currently on hold along with the AYRSHARE project to publish a joint Building Warrant folder with common application form and separate verification guidance notes, all awaiting the outcome of the Pan-Ayrshire Regulatory Services' (PARS) initiative.

2.3 The Service records and monitors a range of performance measures that have been derived from the previous Audit Scotland indicators. The present target for building warrant applications received to first response is 4 weeks (20 days). Following consultation with stakeholders and staff this was increased from 15 days in order to be more realistic. Performance data for 2008-09 shows that the Service has achieved a response rate of 82%. This performance indicator is measured from the date a building warrant is receipted at reception. However, due to the workflow process it can take up to 3 days between the date of a valid application being receipted in reception and the date it is registered onto the system and there is scope to reduce this time and improve performance. Although no other new service

performance standards have been developed in consultation with customers the Service intends to do so when the stakeholder focus group is fully active.

2.4 A range of performance reports are available to management, including an overview of fast-tracked building warrant applications. These reports are viewed at regular Management Team meetings. Current performance is published in reception and although consideration has been given to making the building standards performance information more accessible via the website or in the Customer Charter this opportunity has not been taken.

2.5 Customers can access the Service at the Burns House office in Ayr in person, by telephone, email, fax and via the internet. Telephone access to the office is available through the Council's direct office line or to individual officer's numbers. Each building warrant applicant is allocated a personal case officer, which is highlighted on all correspondence.

2.6 The Burns House reception staff deal with all the enquiries for the Development and Environment Directorate. The reception staff have no specialist training or knowledge of Building Standards but they are able to issue information or pass queries through to the Service. An office duty rota ensures that a BSS is always available to cover all queries. This service is available Monday to Thursday from 8.45am - 4.45pm, and from 8.45am - 4.00pm on Friday. There is limited access to private interview rooms in the Burns House office to allow customer confidentiality when Building Standards officers discuss building warrant applications or give pre-warrant support. Despite being regularly identified by customers as a concern and raised at various times at a higher level within the Council by the Building Standards Manager, the situation has not improved.

2.7 There is a wide range of guidance available to customers on the Council's website and a range of leaflets is also available in the Burns House reception. These are also available on the Building Standards section of the Council's website. The Service has identified £30K towards the development of E-building standards but this project is presently on hold awaiting the outcome of the current Scottish Government initiative to consider what opportunities exist at a national level.

2.8 Following a pilot exercise, improvements to the internet access now allows applicants to complete building warrant application forms on-line, add attachments and additional information if required and submit electronically. Only introduced in Spring 2010, to date this facility has not been advertised nor used by customers. Correspondence received by mail or email is not logged and it is not possible to monitor whether the Service standard of responding to correspondence within 10 days is being attained.

2.9 Some building warrant applications are identified for fast-tracking which may be for accessibility issues, economic development or safety reasons and a report of the numbers is produced. The Service also deals with housing grants which gives them advance knowledge on upcoming accessibility building warrant applications which can be fast-tracked. There is a procedure for fast-tracking however clearly identifiable criteria is not recorded or published and this initiative is not advertised.

The Service should consider using clear and transparent criteria for fast-tracking to ensure this facility is fairly and equitably accessible.

2.10 For the last three years the Service has undertaken an annual customer survey. Forms are distributed with every building warrant. The most recent survey (end 2009) identified positive feedback from the majority of customers. However this was based on a significantly decreased return. Following feedback from customers in previous years the Service has simplified forms and introduced a simple leaflet outlining the verifier role. The Service should consider publicising the links between feedback and improvements (“you said, we did”) in order to increase customer confidence and improve the survey return rate. The Service engages with AYRSHARE stakeholders and this is covered in the Continuous Improvement perspective. To date there has not been an analysis of stakeholders, and a formal protocol for consultations has yet to be developed.

2.11 There is a corporate comment, suggestions and complaints procedure in place called “Help us to get it Right”. The Service responds to complaints as and when they are received, and have had very few formal complaints. As a direct response to one complaint copies of the Customer Charter and the Corporate Feedback leaflet are now being distributed with all building warrant applications.

2.12 Actions to develop and maintain a web based Building Standards Register and develop and implement a procedure for exempt work enquiries are considered in the Internal Business Perspective.

- A Customer Charter has been in place since 2004. A combined AYSHARE Customer Charter is currently being developed
- A range of guidance documents is available in reception and on the website
- The ability to submit documents electronically, including the submission of building warrant applications, has recently gone live
- Customers can access the Service in a range of ways
- Feedback from customers has influenced service improvements and these links should be clearly communicated to customers
- All Service standards published in the Customer Charter should be measured and performance should be made more accessible to the public
- Clear and transparent criteria for fast-tracking should be publicised
- A formal protocol for stakeholder consultation has yet to be developed

**OVERALL MARKING - SATISFACTORY**

### **PERSPECTIVE 3 – Internal Business**

*Verifiers will have prepared a formal plan for the internal business perspective for the financial year 2006-2007 by 30 September 2005.*

#### **Actions intended to be taken by the verifier:**

- *Monitor links with corporate and department business plans*
- *Expand the Mindjet platform to track the line of the “Golden Thread”*
- *Develop Mindjet Mind Manager to provide document access for all Building Standards staff*
- *Develop a range of IT initiatives to drive the service forward*
- *Introduce a scheme of delegation specifically for staff*
- *Establish staff communication*
- *Carry out a thorough ‘process benchmarking’ exercise as part of AYRSHARE*
- *Establish Consortium working to include Peer Group Reviews and benchmarking*
- *Carry out business continuity planning*

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#### **Audit Findings**

3.1 There is a strong culture of business planning within South Ayrshire Council. This includes a hierarchy of plans from the high level South Ayrshire Single Outcome Agreement and Council Corporate Plan through the Development and Environmental Directorate Plan 2009-2012 to the Service’s Balanced Scorecard, which serves as their Internal Business Plan. All plans are easily accessible through ‘Mindjet’ portal which clearly identifies their respective business alignment linkages. All staff have been given the opportunity to develop and shape the Service’s Internal Business Plan. The Internal Business Plan is further supported and underpinned by the Service’s ‘Front Line Service Improvement Plan’ which expands on actions to be taken on the Internal Business Plan with clear ownership of actions which helps drive the Service forward. The Service has recently introduced a business continuity plan.

3.2 Communication processes are good as evidenced through a wide range of recorded meetings. These include events with the Council’s Chief Executive; meetings at Directorate level; Service Level and Team level. All meetings have standard agenda items and notes of meetings are made available to staff through the ‘Mindjet’ IT portal. The Service Management Team provides strong leadership and is performance focussed. This is evidenced by their team meetings where regular discussions on performance management take place and this has supported year on year improvement in this area.

3.3 The administration staff undertake the initial check of the building warrant application which includes checking the form has been completed, sufficient drawings have been provided and the fee relates to the value of work. They attach the validation sheet and pass to reception for receipting the fee. The application then passes to the north or south BSTL for validation and allocation. It then returns to administration staff who register it onto the Uniform IT system, issue the

acknowledgement letter (which contains BSS contact details and '1<sup>st</sup> response within 20 days' statement) and is then passed to the relevant BSS.

3.4 The key verification administrative functions cover registration (building warrant application and completion certificate); issue (building warrant and completion certificate acceptance); and general correspondence such as first response letters. A rota system is used with staff undertaking each aspect weekly. When they have issued the building warrant and supporting documentation, it is checked by the technicians before the building warrant is signed.

3.5 Good use is made of the Uniform IT system. Administration staff update the system and use a range of standard letters and templates such as acknowledgement and response letters. The BSSs only currently input site inspection data into the system so there are opportunities to further develop their role and the use of electronic communications with the administration team.

3.6 The Building Standards Engineering Team monitor all building warrant applications using a spreadsheet log and liaise with BSS on ground condition and other structural issues. The Engineering Team are also a consultee for planning applications and provide comments to the Development Management Service on conversions.

3.7 The Service benefits from a range of excellent IT systems to support their activities. In particular the 'Mindjet' Building Standards Portal which allows clear and simple access to all the building standards information and IT systems. This includes: a link to the Uniform IT system; the Staff Manual; technical guidance (including alternative solutions and on-line Technical Indexes); protocols and guidance; business plans; and communication information. The Service has also benefited from heavy investment in IT notebooks which have the ability to fully interlink into the Council IT systems. This effectively provides 'in-office accessibility' for BSSs while out of office for site inspection work; other business and for home-working arrangements.

3.8 An easy to use and dynamic Building Standards Register is also operational and available to customers via the Council website. This is appreciated by stakeholders and has released staff resource from dealing with simple property queries.

3.9 The Service Management Team are proactive in canvassing staff for improvements to the Service and to help drive staff satisfaction. They also benefit from the yearly Corporate 'Employee Opinion Survey' which also drives the improvement agenda. A number of staff improvements have been made including identifying Health & Safety training requirements and ensuring good performance is recognised.

3.10 Benchmarking is strong and this includes activity with East and North Ayrshire (AYRSHARE) on a number of fronts including: joint training (which provides excellent value for money); looking at processes; and a drive for consistency across the geographical area. They are also part of the South West of Scotland Peer Review

Group, and have jointly with peer partners put in strong processes to support this initiative.

- Strong business planning clearly links the Service to the Corporate priorities
- The Service Management Team provides strong leadership and evidence of performance management is demonstrated
- IT systems have been developed and are used to drive forward service improvements
- Excellent communication networks through meetings and the Building Standards Portal
- Technical staff can remotely access the 'in-office' building standards systems
- Benchmarking with AYRSHARE and Peer Consortium is clearly driving the service forward
- The Building Standards Register is easily accessible from the website

**OVERALL MARKING – EXCELLENT**

## **PERSPECTIVE 4 – Continuous improvement**

*Verifiers will have prepared a three-year strategy for 2006-2009 for continuous improvement by 30 September 2005.*

### **Actions intended to be taken by the verifier:**

- *Carry out performance reviews using the Balanced Scorecard*
- *Introduce customer feedback sheets and take improvement action in relation to feedback and customer surveys/exit questionnaires*
- *Develop staff – invest in continuous professional development of all staff groups associated with Building Standards*
- *Produce a staff manual to include a comprehensive web based technical support library*
- *Develop remote/home working*
- *Improve reception facilities*
- *Investigate ISO accreditation*

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### **Audit Finding**

4.1 The Service produced a three year Continuous Improvement Plan based on the balanced scorecard. This clearly embeds the five balanced scorecard objectives into the Council's four priority themes (prosperous learning and achieving; healthy safe and caring; clean attractive and sustainable; and ambitious, forward thinking and responsive) and within the Departmental objectives. The balanced scorecard needs to be rolled forward for future service improvements. Not all actions in the balanced scorecard are SMART (specific, measureable, achievable, realistic or timebound) and this makes measuring attainment of objectives difficult.

4.2 The activities within the balanced scorecard were determined according to issues identified as priorities by external agencies, for example, BSD and SABSM and following discussions and feedback from senior staff and councillors. The Service is considering extending consultation to stakeholders and sharing the balanced scorecard objectives, and progress, by placing the balanced scorecard on their website.

4.3 There is a Corporate PDR system which has been in place for a number of years and all staff have an annual appraisal meeting. Training is clearly identified through the PDR. The Service has a robust training budget, which covers all aspects of work undertaken (not just the verifier service) and is clearly used to support business improvements. In addition to specialist technical courses, all staff can access corporate training on generic subjects, for example IT or Dealing with Aggression. The training budget is extended by some excellent value for money initiatives, for example, courses run jointly through AYRSHARE are offered to stakeholders and the resulting income is shared between the 3 services. Where demand dictates, for example, the CDM Regulations, courses are run in-house and places sold on to other departments. From 1<sup>st</sup> April 2010 the PDR is changing to a competency based approach. All staff have received training in the new approach which is intended to engender more meaningful discussion.

4.5 All Service staff have an IT Tablet PC, Orange dongle for internet connection and printer to support remote working. One member of staff is currently using this equipment to pilot home working 2 days a week as part of the corporate approach to work/life balance.

4.6 Historically, the Service has had very low turnover of staff. The present complement of staff is extremely experienced and competent in their ability to undertake the full range of verification work. However, the BSM and BSTL recognise that over the next few years a number of changes in staff may occur due to retirement. With that in mind they have developed a draft Succession Plan, although finalisation of this plan is on hold until resolution of the issues the Service faces in light of the 'Pan-Ayrshire Regulatory Services' (PARS) initiative. This initiative is the Council's drive to form a Regulatory Shared Service with East and North Ayrshire on a number of fronts including the respective Building Standards Services.

4.7 A consolidated Staff Manual has recently been introduced. This collated existing information and guidance into one standardised document, which is available to all staff electronically and with remote access via the Mindjet portal. The opportunity was taken during the production of this manual to review and streamline existing guidance and ensure all content was current. This resulted in improvements to the service, for example, reducing the number of steps in the Building Warrant workflow. One BSTL is responsible for ensuring the Staff Manual remains topical.

4.8 The Service is a member of the South West Scotland Consortium Benchmarking Group. Senior staff members are actively involved in SABSM and staff are able to attend meetings. These activities provide excellent opportunities for benchmarking and identifying good practice. Gains achieved in this way include quality assurance checklists and procedures for EPCs, and access to joint professional training events. The Service is also one of the 3 Building Standards services in Ayrshire involved in AYRSHARE, working towards the PARS combined service delivery model. This working group produced a comprehensive peer review of a range of methods of service delivery, which has helped all three services to compare performance.

4.9 The Service has not sought independent external accreditation as the Council is currently considering whether to pursue the Public Service Improvement Framework (PSIF) or the "How good is my Council" accreditation. Once this decision is reached, then the Building Standards Management Team intend to take this forward within the Service.

- The Service has a three year strategy for continuous improvement 2006 - 2010
- The balanced scorecard actions are clearly linked to the Corporate “golden thread” but not all actions are SMART
- The Service benefits from membership of AYRSHARE, including facilitated stakeholder group meetings and training events
- All staff have good IT facilities for remote working
- Corporate PDR system links to training and development
- Comprehensive Staff Manual accessible via Building Standards Portal
- Membership of the South West Scotland Consortium benchmarking group is helping to drive the service forward
- Service accreditation is on hold pending Corporate approach
- Succession planning is on hold pending PARS development

**OVERALL MARKING – GOOD**

## **PERSPECTIVE 5 – Finance**

*Verifiers shall have systems in place to record costs and the management of costs against income streams for the verification process by March 2007.*

### **Actions intended to be taken by the verifier:**

- *Codify the verification activity and develop accounting system to record verifier income/costs*
  - *Carry out monthly financial monitoring and quarterly budget monitoring*
  - *Comply with internal financial regulations and procedures*
  - *Adopt a financial plan to support internal business*
  - *Review the budget process*
  - *Update BCIS Guide*
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### **Audit findings**

5.1 The Service has a long established time recording system in place. The time recording system was designed and introduced by the Building Standards Management Team and is easy for all staff to use. The system can clearly identify verification activity. Over the last 3 financial years verification activity has ranged from 62-66%. Time recording reports are discussed at each Building Standards Management Team meeting.

5.2 Fee income for financial year 2008-09 (the last full year figures) amounted to approximately £622k against an operating cost of running the verification service of approximately £736k.

5.3 A clear budget setting process is in place. The BSM starts the budget development process in October of each year. Budget development is generally based on previous budget with the opportunity to build cases for additional resource to support known upcoming pressures. The BSM proactively estimates the likely fee income from verification activity, this includes consulting Planning colleagues about upcoming developments and pre-building warrant discussions with potential customers which enables more accurate and realistic budget setting. His estimations over the last couple of financial years have been considerably lower than previous ones due to the current economic difficulties.

5.4 There are good and well established financial governance and monitoring arrangements in place. The BSM meets with Council Finance colleagues on a monthly basis to discuss budget issues. Finance is also a standing item on the Building Standards Management Team meeting agenda. To support these governance arrangements South Ayrshire Council's Internal Audit department recently undertook a review of the system (at the request of the BSM) for the collection and processing of building warrant fees to see if it was operating correctly. That review gave full assurance that all key controls are in place and are working effectively.

5.5 The BSM has full autonomy over his budget allocation and is able to transfer resources between budget lines. This allows him to maximise his resources to their

full potential. To further support the Service's income, staff consult the updated BCIS guidance to ensure that correct building warrant fees have been paid to support applications. They also promote their engineering services to other verifiers for a fee.

- Robust and easy to use time recording system in place
- Annual financial budget setting arrangements are long established
- Pro-active approach to realistic budget setting
- Excellent financial governance arrangements are in place (supported by Internal Audit activity)
- Initiatives are maximised to ensure income generation

**OVERALL MARKING – EXCELLENT**

## CONCLUSIONS

1. The Scottish Government Building Standards Division reviewed the Verifier's Balanced Scorecard against evidence submitted by South Ayrshire Council's Building Standards Service (the Service) for each perspective: Public Interest; Private Customer; Internal Business; Continuous Improvement and Finance. A number of core questions were issued to the Service prior to an on-site visit. The BSD undertook the audit on 18 and 19 March 2010 and reviewed the processes and procedures against the information provided on the Balanced Scorecard along with the evidence submitted. The audit team produced a final report using standardised commentary and markings throughout.
2. After reviewing the balanced scorecard evidence and conducting the two-day audit (including testing how the processes work in practice), the BSD were satisfied that the Service scored satisfactory or better against all perspectives of their balanced scorecard submission.
3. There is strong leadership within the Service, which encompasses both technical and administrative staff. This engenders flexible, positive and inclusive team working. The BS Administrative staff are clearly integrated within the Service. Low staff turnover and a highly experienced staff complement, both technical and administrative, have ensured the development of a consistent approach to Service delivery. The Engineering Team provides valuable support and contributes to the income generation capacity of the Service.
4. The Service has clearly linked the balanced scorecard to the aims and objectives of the Council and these priorities are reflected in the Internal Business Plan. This approach also allows all staff to see how they are supporting the high level vision of the Council.
5. There are a number of initiatives that have the potential to impact on staff morale, for example PARS (Pan-Ayrshire Regulatory Services), flexi-time and difficulties with office accommodation. These will need to be carefully handled. The introduction of the new Service management structure allows the opportunity to take these change issues forward in conjunction with staff.
6. A well developed approach to IT has allowed the Service to invest and develop IT systems which streamline and support service delivery. The Building Standards Portal allows easy and clear communication to all service documents and reference materials. Remote working is well supported by IT.
7. The Service needs to take the opportunity to be more transparent and promote the services they provide, for example fast tracking. This will encourage fair and equitable access.

8. Progress in Service improvements have clearly been made in recent months, due in part to the focus on the Service generated by the BSD verifier audit. Many of these have not yet had the opportunity to become embedded so it is too soon to comment on their effectiveness. It is hoped that now that this momentum has been generated, this impetus will not be lost and the Service will continue to improve.

## CONTACT DETAILS

Further information about the verification process can be found on the BSD web site at [www.scotland.gov.uk/bsd](http://www.scotland.gov.uk/bsd) change The site contains information about the work of the Division and includes a list of contacts covering key areas of work.

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