Pye Tait Consulting

Evaluation of the performance of local authorities in their role as building standards verifiers

March 2016
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Executive Summary

1. Introduction

The building standards system in Scotland helps building owners undertaking building work or home improvements to meet the requirements of the building regulations. It protects the public interest by setting out the standards to be met when building or conversion work takes place.

Building standards verifiers are appointed by Scottish Ministers and their role is to undertake independent checks to establish compliance with the building regulations. This principally involves assessing and approving building warrant applications, undertaking checks and inspections when building work is carried out, and accepting completion certificates once work has been satisfactorily completed. At present, the only appointed verifiers are the 32 Scottish local authorities, each covering their own geographical area.

The aim of the evaluation was to examine the performance of local authorities in their role as building standards verifiers. The findings will assist Scottish Ministers in their appointment of verifiers from 2017 onwards in terms, for example, of the scope or duration of an appointment, or any conditions attached to an appointment.

The specific objectives were to assess:

1. The performance of verifiers in relation to the four considerations for appointment set out in the procedure regulations: i) qualifications; ii) competence; iii) accountability to the public; and iv) impartiality.


3. The success and impact of the current performance framework (introduced in 2012) and whether any enhancements could further improve verifier performance; and

4. The views of users of the building standards system in relation to the current performance of local authority verifiers, and any aspects that could be improved.

The evaluation was carried out between October 2015 and February 2016. The methodology involved a review of statistical performance data and other performance-related documents produced by local authorities in 2013-14, 2014-15 and the first two quarters of 2015-16. In-depth interviews were conducted with 28 local authority verifiers and ten stakeholder organisations, supplemented by an
online ‘Newsflash’ survey of stakeholders and users of the system, which obtained 221 responses.

2. Meeting the conditions for appointment

The majority of respondents to the online survey are generally confident that local authorities employ suitably qualified and competent staff. They are also broadly in agreement that verifiers are accountable to the public and impartial.

<table>
<thead>
<tr>
<th>Verifiers are:</th>
<th>% confident (including verifier respondents)</th>
<th>% confident (excluding verifier respondents)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qualified</td>
<td>81%</td>
<td>74%</td>
</tr>
<tr>
<td>Competent</td>
<td>77%</td>
<td>69%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Verifiers are:</th>
<th>% in agreement (including verifier respondents)</th>
<th>% in agreement (excluding verifier respondents)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountable to the public</td>
<td>66%</td>
<td>54%</td>
</tr>
<tr>
<td>Impartial</td>
<td>74%</td>
<td>65%</td>
</tr>
</tbody>
</table>

Survey respondents’ perceptions of verifiers’ main strengths and weaknesses (ordered from most to least cited) are as follows:

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Impartiality;</td>
<td>• Time taken to deliver specific aspects of the service;</td>
</tr>
<tr>
<td>• Knowledge and understanding of the building regulations and building standards;</td>
<td>• Lack of resources (including staff);</td>
</tr>
<tr>
<td>• Breadth of experience and expertise;</td>
<td>• Inconsistency of interpretation and quality of service (within and/or between local authorities);</td>
</tr>
<tr>
<td>• Local knowledge and expertise;</td>
<td>• Lack of funding;</td>
</tr>
<tr>
<td>• Ensuring compliance;</td>
<td>• Lack of knowledge in certain areas;</td>
</tr>
<tr>
<td>• Accountability to the public;</td>
<td>• Budget cuts affecting staff numbers and quality of service;</td>
</tr>
<tr>
<td>• Providing a professional service;</td>
<td>• Poor communications/speed of response to queries;</td>
</tr>
<tr>
<td>• Helpfulness;</td>
<td>• Inflexibility;</td>
</tr>
<tr>
<td>• Qualifications and competence of staff;</td>
<td>• Political influence/restrictions;</td>
</tr>
<tr>
<td>• Openness and transparency;</td>
<td>• Lack of availability;</td>
</tr>
<tr>
<td>• Accessibility and availability; and</td>
<td>• Bureaucratic.</td>
</tr>
<tr>
<td>• Technical aspects of the role e.g. checking plans and drawings, granting building warrants and undertaking site inspections.</td>
<td></td>
</tr>
</tbody>
</table>

Sections 3 to 5 of this Executive Summary outline the national performance of verifiers against the nine Key Performance Outcomes (KPOs). Supporting qualitative insights from verifiers and other stakeholders are provided in the main report.
3. Professional expertise and technical processes

Over the three financial years from 2012-13 to 2014-15 the volume of building warrant applications increased by 15% (from 35,025 applications in 2012-13 to 40,219 applications in 2014-15).

<table>
<thead>
<tr>
<th>KPO1</th>
<th>Year-on-year reduction in the average time taken to grant a building warrant</th>
</tr>
</thead>
</table>

Between 2013-14 and 2014-15, the total number of building warrants granted by local authorities increased from just below 34,000 to just over 40,000 – a rise of 19%.

Over the same period there was a 19% increase in the average total time taken to grant a building warrant (from 47 days to 56 days). In total, just five out 32 local authorities reduced the average time taken between those years. This outcome is contrary to the objective of KPO1, which aims for a year-on-year reduction in the average time. However it is recognised that the figures include time which may be outside local authority control.

In April 2014, optional additional reporting was introduced by the Building Standards Division (BSD) which invited verifiers to disaggregate the total number of working days taken purely by ‘the verifier’ as part of the building warrant approval process. In the 2014-15 financial year, five out of 32 local authorities provided this additional breakdown, which increased to six for the first two quarters of 2015-16.

- In 2014-15, the time taken by ‘the verifier’ averaged 24 days per building warrant across these five local authorities, with a range from 8 to 44 days;
- In quarters 1 and 2 of 2015-16, the time taken by ‘the verifier’ averaged 28 days per building warrant in quarter 1 (range 11 to 49 days) and 29 days in quarter 2 (range 13 to 49 days).

<table>
<thead>
<tr>
<th>KPO2</th>
<th>Increased quality of assessment and compliance during the construction process</th>
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A key aspect of the inspection process is the Construction Compliance and Notification Plan (CCNP) which was introduced from 1st October 2012. The CCNP is issued by the local authority at the same time as the building warrant and sets out the notifications required by the Relevant Person¹ and the inspections the verifier intends to carry out at particular stages as the work progresses.

The number of CCNPs for accepted completion certificates increased from 8,806 in 2013-14, to 21,745 in 2014-15 – a rise of 147%.

¹ The ‘Relevant Person’ refers to the individual responsible for complying with the building regulations – typically the building owner or developer.
The proportion of CCNPs that were fully achieved dropped from 61% to 54%. Analysis of data for the first two quarters of 2015-16 reveals an upturn from 44% (quarter 1) to 51% (quarter 2) in the proportion of CCNPs fully achieved for accepted completion certificates.

From April 2014, optional additional reporting was introduced to provide a more detailed breakdown of CCNPs fully achieved. This disaggregates duties fulfilled by the Relevant Person and duties fulfilled by the Verifier. In 2014-15 seven out of 32 local authorities provided this additional breakdown. In the first two quarters of 2015-16 this rose to eight local authorities.

The 2014-15 results from those local authorities providing CCNP breakdowns reveal that 97% of CCNPs were fully achieved by the verifier, 69% were fully achieved by the Relevant Person, and 67% were fully achieved by both parties.

4. Quality customer experience

<table>
<thead>
<tr>
<th>KPO3</th>
<th>Increased commitment to meeting customer expectations</th>
</tr>
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</table>

KPO3 supports KPO1 and looks at the overall time taken by the local authority to issue the first report, which provides the applicant with a full assessment of their building warrant application. The focus is on first reports issued: in 20 working days or less; between 20 and 35 days; and between 35 days and the statutory backstop of three months (the deemed-refusal backstop period as set out in legislation).

The KPO also considers performance on those applications where the local authority and applicant have entered into a ‘Customer Agreement’ (CA). Instead of reporting against the 20 day figure, the focus here is on the agreed number of days as set out in the CA.

First reports issued without a Customer Agreement (CA)

- In 2013-14 and 2014-15, the percentage of first reports issued within the 20-day target remained above 90%, with a very slight decrease from 92% (2013-14) to 91% (2014-15);

- In the first two quarters of 2015-16, the percentage of first reports issued within the 20-day target fell to 88% in both quarters;

First reports issued with a Customer Agreement (CA)

- The percentage of first reports issued within customer agreed targets decreased from 92% in 2013-14, to 83% in 2014-15;

- In the first two quarters of 2015-16, the proportion of first reports issued within CA target timeframes reached 95% (quarter 1) and 94% (quarter 2).
**KPO4  Adherence to service commitments of a National Customer Charter**

Local customer charters have been embedded in all verification services since 2006. The new performance framework introduced a new national customer charter template, designed to complement each local authority’s local charter and demonstrate the commitment to service levels with a consistent standard of quality across all services.

Following a ‘mystery shopper’ website review of all 32 local authority building standards services, only 20 were found to contain links to national and local charters (in some cases single ‘combined’ charters).

**KPO5  Improvement of the customer experience**

Local authorities interviewed as part of the evaluation report being firmly committed to the customer experience and that this is ingrained within their working culture and supported by the performance framework.

In 2013, the Scottish Government commissioned Pye Tait Consulting to develop and run a national customer survey for building standards customers. The first survey took place in 2014 and was repeated in 2015.

Across almost all indicators, the results reveal a slight decline in customer satisfaction between 2014 and 2015. In particular, the average score for ‘overall satisfaction’ decreased from 7.5 to 7.1 out of 10.

**5. Operational and financial efficiency**

**KPO6  Financial governance**

Between 2013-14 and 2014-15, fee income as a percentage of staff costs increased from 141% to 150% (i.e. a surplus in both years).

The majority of local authorities (26 out of 32) achieved a fee income surplus in 2014-15, with a range from 68% to 293% across all Councils;

It is important to note that a high level of fee income against staff costs does not automatically translate to efficient service. Where there are poor turnaround times for granting building warrants (KPO1) and/or extensive time taken to issue first reports (KPO3), there could be under-resourcing in staff terms.

The annualised data for 2014-15 reveals six local authorities for which fee income was more than 150% of staff costs (in two cases more than 200% of staff costs), yet
total days taken to grant a building warrant for those authorities was higher than the national average, with a range between 63 and 68 days.

**KPO7**

**Improved partnership working underpinned by engagement with a National Forum**

Although a National Forum has not been formally set up, the overall aim of this outcome has been met through a combination of other activities, including:

- Construction Scotland (the Industry Leadership Group for the construction sector) set up a Planning and Building Regulation Group in 2014 which includes representatives from Local Authority Building Standards Scotland (LABSS) and the BSD. There have been five meetings to date.

- Departmental working groups with industry representation to undertake reviews of building standards;

- Cross industry groups for specific technical or procedural issues such as fire suppression, water supplies for fire-fighting, dealing with extending validity of building warrants and retrofit fitting external wall insulation; and

- Quarterly strategic liaison group meetings plus regular certification liaison groups comprising certification scheme providers, LABSS and the BSD.

**KPO8**

**Development of and adherence to objectives outlined in the balanced scorecard**

The balanced scorecard approach was first introduced for the 2005-2011 appointment period. It enabled verifiers to demonstrate performance to Scottish Ministers and resulted in a stronger focus on customer service in particular.

Since April 2013 each local authority has been expected to publish its balanced scorecard on its own website. As of April 2014 balanced scorecards are also expected to incorporate a summary of the relevant local authority’s Continuous Improvement Plan (CIP) – see KPO9.

To inform the evaluation, the BSD supplied Pye Tait Consulting with the latest available balanced scorecards from individual local authorities. In total, 31 (out of a possible 32) were available for review. Of these:

- 26 were for the current (2015-16) financial year;
- Three were dated 2014-15; and
- Two were dated 2013-14.

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2 Local Authority Building Standards Scotland (LABSS) is a not-for-profit membership organisation which represents Scotland's 32 local authority building standards services. The local authorities within LABSS work in seven local Consortium Groups aimed at supporting and encouraging partnership working, continuous improvement, knowledge sharing, national consistency and customer dispute resolution.
The majority (28 out of 32) included clearly defined coverage of the three broad perspectives of the performance framework. A smaller number (20 out of 32) included a summary of the continuous improvement plan.

<table>
<thead>
<tr>
<th>KPO9</th>
<th>Commitment to continuous improvement</th>
</tr>
</thead>
</table>

Use of a Continuous Improvement Plan (CIP) is intended to enable each local authority to demonstrate commitment to continuous improvement across all aspects of their balanced scorecard. The CIPs also allow the Scottish Government to assess the current position of verifiers and see their business ambitions and progress.

Some local authorities interviewed for the evaluation commented that use of the CIP helps to focus their attention, reinforce continuous improvement and provide a useful reminder of actions that need to be taken.

A minority feel that completion of the CIP is an additional burden, is used to report actions that are already undertaken “as a matter of course”, and is perceived as being more useful to the BSD as a reporting tool than for local authorities themselves.

Common actions contained within CIPs related to local authorities’ preparation for the rollout of e-building standards in the summer of 2016, which is generally listed as ‘high’ priority. The specific actions vary by local authority depending on what each Council still needs to do.

6. Impact of the performance framework

Survey respondents’ perceptions of performance improvements that have taken place since the framework was introduced in 2012 (ordered from most to least cited) are as follows:

<table>
<thead>
<tr>
<th>Views of verifiers</th>
<th>Views of other respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Introduction of national targets which drive focus, consistency and comparability (e.g. through benchmarking);</td>
<td>• Better communication and response times;</td>
</tr>
<tr>
<td>• Culture of reflection and continuous improvement;</td>
<td>• Improvement in customer focus;</td>
</tr>
<tr>
<td>• Transparent and accountable customer-focused approach;</td>
<td>• Faster turnaround of applications;</td>
</tr>
<tr>
<td>• Strong partnership engagement system;</td>
<td>• Verifiers taking pride in their role;</td>
</tr>
<tr>
<td>• Better allocation and use of resources in the most important areas; and</td>
<td>• A more professional feel to the service;</td>
</tr>
<tr>
<td>• More targeted inspections carried out.</td>
<td>• More transparency (e.g. information published on the website);</td>
</tr>
<tr>
<td></td>
<td>• More open to discussion; and</td>
</tr>
<tr>
<td></td>
<td>• Better understanding of the role and time constraints of developers.</td>
</tr>
</tbody>
</table>
Survey respondents’ perceptions of areas where performance has not improved since the framework was introduced (ordered from most to least cited) are as follows:

<table>
<thead>
<tr>
<th>Views of verifiers</th>
<th>Views of other respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Significant time is spent on preparing KPO data with no obvious outcomes;</td>
<td>• Performance levels don’t seem to have changed;</td>
</tr>
<tr>
<td>• The service is under-resourced;</td>
<td>• Response times are slower;</td>
</tr>
<tr>
<td>• There has been little change as a result of the framework, or that can be</td>
<td>• Local authority budget cuts are affecting staff levels, including knowledge</td>
</tr>
<tr>
<td>directly attributable to the framework;</td>
<td>and experience;</td>
</tr>
<tr>
<td>• Acceptance of alternative forms of evidence has increased but compliance</td>
<td>• The nature and quality of service varies within and between local</td>
</tr>
<tr>
<td>doesn’t seem to have improved.</td>
<td>authorities;</td>
</tr>
<tr>
<td></td>
<td>• Customer focus is still lacking in some local authorities; and</td>
</tr>
<tr>
<td></td>
<td>• There is too much emphasis on ‘box ticking’ and meeting targets to the</td>
</tr>
<tr>
<td></td>
<td>detriment of quality.</td>
</tr>
</tbody>
</table>

7. Conclusions

Resourcing to meet demand

The post-recession recovery of the construction sector and associated rise in building warrant applications is placing greater demand on building standards services across Scotland. This demand needs to be met through more efficient processes and/or higher levels of resourcing, but current obstacles include local authority budget pressures and the fact surplus fee income from building standards tends not to be ring-fenced within the service. Building standards services are therefore facing considerable resourcing pressures.

Meeting the considerations for appointment

Despite an absence of national criteria or minimum standards relating to the four considerations for appointment, there is general confidence and agreement that verifiers are suitably qualified, competent, impartial and accountable to the public. Indeed, verifiers are able to access specialist external expertise from other local authorities or trusted third parties (e.g. fire engineering and structural engineering) should they need it.

The fact that building standards verification is currently placed in the hands of local authorities means the system is free from the risk of ‘profit before compliance’ – a virtue which cannot be understated.
Professional expertise and technical processes

The time taken to grant building warrants increased between 2013-14 and 2014-15 which is contrary to the objective of KPO1 and indicates a possible continuing trend. The main reported causes include rising application volumes and time taken by third parties (e.g. agents) outside local authority control.

The introduction of Construction Compliance Notification Plans (CCNPs) as part of KPO2 is generally viewed favourably by local authorities to support a risk-based approach to Reasonable Inquiry as part of KPO2. However, there are inconsistencies between local authorities in its application, which means that data reported under KPO2 may not be wholly consistent and reliable.

The percentage of CCNPs ‘fully achieved’ for accepted completion certificates dropped from 61% in 2013-14 to 54% in 2014-15. Whilst on the surface this might be considered a decline in performance, measurement of CCNP achievement alone is arguably not sufficient for determining whether the ‘quality’ of assessment and compliance has in fact improved or declined.

It is unfortunate that fewer than ten local authorities have provided disaggregated data for KPOs 1 and 2 (introduced by the BSD in April 2014) to more clearly determine aspects of verifier performance that is within their own control.

Quality customer experience

With respect to KPO3, the proportion of first reports issued within 20 days has remained fairly constant over the past two years, at or around 90%. Use of Customer Agreements decreased between 2013-14 and 2014-15, however there was an increase in their use for high value work, suggesting that local authorities are negotiating bespoke arrangements for more complex builds.

The national customer survey has now been run over two successive years and the findings show an overall dip in customer satisfaction across almost all headline measures between 2014 and 2015. Customer perceptions will inevitably be affected by factors such as their own level of understanding of the system, whether they believe verifiers are responsible for delays or problems when that might not be the case, and the actual decision made on their application which may not be what they would like to hear.

Operational and financial efficiency

In terms of fee income against staff costs, the vast majority of building standards services achieved a fee income surplus in 2014-15 and the first two quarters of 2015-16, suggesting they are successfully increasing income whilst maintaining an efficient service. However, where significant fee income surpluses (i.e. in excess of 150%) are coupled with comparatively slow turnaround times for building warrants and first reports, these services could be under-resourced.
Impact of the national performance framework

On the whole, the performance framework has been successful in enabling performance to be measured nationally for the first time, initiating a shift towards greater national consistency of service, increasing customer focus and providing a mechanism for pinpointing where improvements need to be made at national, consortium and local levels.

Whilst there has been substantial progress and investment in delivering a high quality and customer-focused building standards service since the last reappointment of local authorities in 2011, there is still work to do to create the conditions for strong performance across all 32 Councils.

Several local authorities feel that the quarterly reporting arrangements are onerous and there is evidence to suggest that the KPOs should now be reviewed and updated as part of a general evolution of the service and given that certain aspects (such as response times) are now ingrained within the working culture and operations.

The move towards e-building standards (due to be launched in the summer of 2016) is highly anticipated and local authorities are undertaking a great deal of work and investing heavily in new equipment and resources. Based on the views of verifiers it is highly likely that e-building standards will improve efficiency, flexibility, consistency and response times, in turn contributing to increased customer satisfaction.

8. Forward considerations

The forward considerations are abridged. Full versions are contained in section 8.2.

1. Local authorities should access and use national and local performance results to support regular benchmarking and continuous improvement. This information could also support discussions with Council leaders, for example to make the case for additional recruitment or retain a greater proportion of surplus fee income within the service.

2. Local authorities should continue to work in close partnership through LABSS and consortium groups in order to share knowledge, good practice and work towards greater consistency in interpretation and verification activities. Links should also continue to be developed and strengthened between local authorities and other stakeholders.

3. A review of the national performance framework would be useful to determine where changes need to be made, including to specific KPOs.

4. Those local authorities currently providing the additional breakdowns for KPOs 1 and 2 could share with others how they have achieved this. A collective and
concerted effort could then be made to report these breakdowns in a consistent way, which in turn should ensure the data are robust and reliable.

5. A national solution should be reached as to how local authorities treat and report CCNP achievement where notification of the start of work is not received from the Relevant Person.

6. Taking into account the increasing pressure placed on local authorities as application volumes increase, a less frequent reporting system might be helpful, for example six-monthly rather than quarterly.

7. With respect to the considerations for appointment of verifiers, as set out in the Building (Scotland) Act 2003 (the 2003 Act), it might be helpful to research and develop national criteria or ‘Standards’ for ‘qualifications’ and ‘competence’. This would help to support national consistency.

8. While fees for building standards services are currently set out in legislation for the whole of Scotland, there may be merit in introducing a fee-related consequence for local authorities that perform below a certain benchmark.

9. The main arguments for local authorities to continue in their role as building standards verifiers are as follows:

   a. Significant time and monetary investment has been made since the last reappointment, particularly in terms of delivering a professional and competent service, making use of local knowledge and established contacts, staff reorganisation and new IT capabilities;

   b. As non-profit making organisations, verification by local authorities is not put at risk due to any competing commercial pressures; and

   c. The performance framework is helping to drive forward national consistency of service, with the potential for greater efficiencies through the rollout of the forthcoming e-building standards system.

10. Where consideration is given to introducing alternative or additional building standards verifiers across Scotland, this should be subject to research that explores:

    a. What this means for customers and local authorities;

    b. The likely implications from introducing competition in verification, and the risk of ‘profit over compliance’;

    c. The potential impact on the quality of verification; and

    d. How to ensure that the four considerations for appointment are met on an on-going basis.
1.1 Overview of the building standards system in Scotland

The building standards system in Scotland was established as a result of the Building (Scotland) Act 2003 (2003 Act). It helps building owners undertaking construction work or home improvements to meet the requirements of the building regulations and protects the public interest by setting out the standards to be met when building or conversion work takes place.

Building standards verifiers are appointed by Scottish Ministers and their role is to undertake independent checks to establish compliance with the building regulations. The 2003 Act provides for a variety of verifiers should this be required, however at present the only appointed verifiers are the 32 Scottish local authorities, each covering their own geographical area.

The main role of the verifier is to protect the public interest by:

- Providing an independent check of applications for building warrants to construct or demolish buildings, provide services, fittings or equipment in buildings, or to convert buildings;
- Carrying out inspections of construction activities through the process of ‘Reasonable Inquiry’; and
- Accepting or rejecting completion certificates.

Verifiers are appointed under section 7(1) of the 2003 Act and Schedule 2 makes further provision about them. An appointment may be made subject to such limitations as the Scottish Ministers may impose and may be framed by reference to any factor whatsoever. Schedule 2 also contains provisions to address conflicts of interests.

This is supported by Regulation 30 of the Building (Procedure) (Scotland) Regulations states that:

- Before making any appointment as a verifier under section 7(1) (a) of the Act the considerations to which the Scottish Ministers shall have regard shall include: i) qualifications; ii) competence; iii) accountability to the public; and iv) impartiality.

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3 The Building (Scotland) Regulations 2004 ensure minimum standards of design and construction. They protect the health, safety, welfare and convenience of people in and around buildings, further the conservation of fuel and power, and further the achievement of sustainable development.
Figure 1 The Scottish building standards system in context

**The Basic Process**

<table>
<thead>
<tr>
<th>Stage 1</th>
<th>Stages 2 and 3</th>
<th>Stage 4</th>
<th>Stages 5 and 6</th>
<th>Stages 7, 8 or 9</th>
</tr>
</thead>
</table>

**Responsibility of the Building Owner**

- **IDEA FOR A BUILDING PROJECT**
  - Stage 1

- **DESIGN WORK**
  - Stages 2 and 3

- **BUILDING WARRANT APPROVAL**
  - Stage 4
  - Confirmation that you can start the building work, alterations, conversion or demolition

- **BUILDING WORK**
  - Stages 5 and 6

- **COMPLETION CERTIFICATE SUBMISSION**
  - Stages 7, 8 or 9
  - Confirmation that the work is complete

**Local authority building standards service**

- Makes independent checks
  - Stages 2-3

- Grants permission for you to start work
  - Stage 4

- Makes independent checks and inspections
  - Stages 5 and 6

- Accepts your completion certificate (when the work is OK)
  - Stages 7, 8, or 9

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*N.B.: Anyone can apply for a building warrant, such as the building owner, tenant, leaseholder or developer. This person is called the applicant. However, the building owner is always responsible for ensuring the work meets the building regulations.*
Comparison with England, Wales and Northern Ireland:

The building standards system in Scotland differs from the equivalent building control system in England and Wales, where a combination of local authorities and private sector Approved Inspectors (individuals and organisations) provide these services.

In Northern Ireland, there are eleven Local Councils coordinated into five regional cluster groups, plus Belfast City Council.

1.2 Evolution of building standards verification in Scotland

Prior to May 2005, local authorities were responsible for undertaking independent building control checks under the Building (Scotland) Act 1959. The 2003 Act came into force in May 2005 and introduced three distinct roles for verification, certification and enforcement. The 2003 Act allows Scottish Ministers to appoint any person as a verifier or a certifier but makes local authorities responsible for enforcement.

In preparation for the 2003 Act coming into force, Scottish Ministers appointed all 32 local authorities as verifiers for their own geographical area, for a period of six years up to 2011. A requirement of the appointment was for verifiers to submit an annual ‘balanced scorecard’ to the Building Standards Division (BSD) of the Scottish Government. During the appointment period, the BSD undertook audits of all local authorities based around the balanced scorecards.

The Scottish Government has been collecting statistical building standards ‘annual returns’ from local authorities since 2009. These include the number of applications for building warrants (and amendments), completion certificates, decisions, fees, expenditure, certificates of design and construction, energy performance certificates, and certificates of sustainability. It also covers details on local authority enforcement under sections 25-30 of the Building (Scotland) Act 2003.

Local authorities were re-appointed in their role as verifiers on 1st May 2011 for a further six-year period, on the condition that a new performance framework was established to improve the quality, compliance, consistency and predictability of verification activities. The new framework was developed in partnership between the BSD and Local Authority Building Standards Scotland (LABSS)⁴, and considered the views of all 32 local authorities and the construction industry. It was introduced in May 2012 and measurable from October 2012 and addresses a wide range of actions and behaviours which, between them, demonstrate a strong customer-focused service.

⁴ Local Authority Building Standards Scotland (LABSS) is a not-for-profit membership organisation which represents Scotland’s 32 local authority building standards services. The local authorities within LABSS work in seven local Consortium Groups aimed at supporting and encouraging partnership working, continuous improvement, knowledge sharing, national consistency and customer dispute resolution.
The framework covers three broad perspectives:

- Professional Expertise and Technical Processes;
- Quality Customer Experience, and
- Operational and Financial Efficiency.

Spanning all three perspectives are two additional cross-cutting themes of ‘Public Interest’ and ‘Continuous Improvement’. The framework is supported by a range of key performance outcomes (KPOs) which are summarised in Table 1.

**Table 1 Summary of Key Performance Outcomes (KPOs)**

<table>
<thead>
<tr>
<th>Professional expertise &amp; technical processes</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>KPO1</td>
<td>Year-on-year reduction in the average time taken to grant a building warrant</td>
</tr>
<tr>
<td>KPO2</td>
<td>Increased quality of assessment and compliance during the construction processes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quality customer experience</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>KPO3</td>
<td>Increased commitment to meeting customer expectations</td>
</tr>
<tr>
<td>KPO4</td>
<td>Adherence to service commitments of a National Customer Charter</td>
</tr>
<tr>
<td>KPO5</td>
<td>Improvement of the customer experience</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operational and financial efficiency</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>KPO6</td>
<td>Financial governance</td>
</tr>
<tr>
<td>KPO7</td>
<td>Improved partnership working underpinned by engagement with a National Forum</td>
</tr>
<tr>
<td>KPO8</td>
<td>Development of and adherence to objectives outlined in the balanced scorecard</td>
</tr>
<tr>
<td>KPO9</td>
<td>Commitment to continuous improvement</td>
</tr>
</tbody>
</table>

The performance framework was launched in May 2012 with implementation of reporting against the KPOs starting from October 2012. Local authorities have been required to report progress on all KPOs in the following ways:

- KPOs 1, 2, 3 and 6 – Local authorities provide quarterly data returns;
- KPOs 4 and 5 – Local authorities report as part of their Balanced Scorecard/Continuous Improvement Plan supported by findings from the national customer satisfaction survey (first run in 2014, then repeated in 2015);
- KPO7 – National Forum meetings;
- KPO8 – Balance Scorecard documents – refreshed annually;
- KPO9 – Continuous Improvement Plans (CIPs) – updated quarterly.

In March 2013 Pye Tait Consulting was commissioned to undertake a pilot stage review of the new framework. This identified some issues with the quarterly data
return fields for KPOs 1, 2, 3 and 6, and explored options for developing a more measurable template for the CIPs. Since then, a web platform has been introduced for quarterly data reporting, while a new quarterly CIP template has been adopted. The annual Balanced Scorecard remains in place as more of a ‘static’ strategic planning and management tool⁵.

Analysis carried out to inform the BSD’s Performance Report for 2013-14 revealed that local authorities had, through significant commitment and resourcing, embedded the performance framework into their daily working practice⁶.

1.3 Aims and objectives of the evaluation

The evaluation’s objective was to examine the performance of local authorities in their role as building standards verifiers. The findings will assist Scottish Ministers in their appointment of verifiers from 2017 onwards in terms, for example, of the scope or duration of an appointment, or any conditions attached to an appointment.

The specific objectives were to assess:

1. The performance of verifiers in relation to the four considerations for appointment set out in the procedure regulations:
   - Qualifications;
   - Competence;
   - Accountability to the public; and
   - Impartiality.

2. The performance of verifiers under the three broad perspectives of the performance framework:
   - Professional Expertise and Technical Processes,
   - Quality Customer Experience, and
   - Operational and Financial Efficiency.

3. The success and impact of the current performance framework (introduced in 2012) and whether any enhancements could further improve verifier performance; and

4. The views of users of the building standards system in relation to the current performance of local authority verifiers, and any aspects that could be improved.

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⁵ Further information about reporting requirements are set out under the respective KPO headings in chapters 3, 4 and 5.

1.4 Methodology

The evaluation was carried out between October 2015 and February 2016 and involved:

- Desk-based analysis of local authority data returns (KPOs 1, 2, 3 and 6) for the 2013-14 and 2014-15 financial years, as well as the first two quarters of 2015-16;

- Review of Balanced Scorecards and CIPs (2014-15) and National/Local Customer Charters;

- In-depth telephone interviews with representatives from 28 out of 32 local authority verification services (in most cases with the Building Standards Manager or equivalent role);

- In-depth telephone interviews with ten stakeholder organisations including national agencies, professional bodies, trade bodies and Certification Scheme providers;

- An online survey, capturing 221 responses from a wide range of stakeholders and users of the building standards system – hosted by Pye Tait Consulting and publicised via the BSD’s electronic ‘Newsflash’ mailing system; and

- Follow-up telephone interviews with eight local authorities, exploring the types of challenges experienced since the 2011 re-appointment of verifiers, how these challenges were overcome, positive outcomes and best practice.

A breakdown of respondents to the Newsflash survey is presented in Appendix 1.

1.5 Presentation of evidence

The findings in this report draw on a combination of statistical data, information from published and unpublished sources, as well as anecdotal evidence from interviews and discussions. Evidence is presented using charts, tables, supporting commentary, anonymised quotations and short written case studies.

7 There are currently two types of Certification Schemes that form part of the building standards system in Scotland: 1) Certificates of Design and 2) Certificates of Construction. Approved Certifiers registered with a Certification Scheme Provider are able to certify that certain elements of design or construction work (as appropriate) are compliant with the building regulations.
2. Meeting the Considerations for Appointment

This chapter examines how well verifiers have fulfilled the four considerations for appointment as set out in Regulation 30 of the Building (Procedure) (Scotland) Regulations, i.e. qualifications, competence, accountability to the public and impartiality. It should be noted that the regulations do not provide any further detail or criteria relating to these considerations.

2.1 Qualifications

The majority of respondents to the online Newsflash survey (81% in total, or 74% excluding verifiers) are generally confident that local authorities employ verification staff who are suitably qualified.

The most confident group of respondents are verifiers themselves, while individual home owners and tenants appear more likely to be 'very confident' on this matter than agents (57% versus 34%) – Figure 2.

Figure 2 Confidence that verifiers are suitably qualified

<table>
<thead>
<tr>
<th>Group</th>
<th>Very confident</th>
<th>Somewhat confident</th>
<th>Not very confident</th>
<th>Not at all confident</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>All respondents</td>
<td>48%</td>
<td>33%</td>
<td>13%</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>All (excluding verifiers)</td>
<td>33%</td>
<td>41%</td>
<td>17%</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Individuals (home owner/tenant)</td>
<td>57%</td>
<td>16%</td>
<td>19%</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>Agents/Architects/Designers</td>
<td>34%</td>
<td>46%</td>
<td>17%</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>Local authority verifiers</td>
<td>86%</td>
<td>13%</td>
<td>2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>All others, including industry</td>
<td>19%</td>
<td>51%</td>
<td>16%</td>
<td>14%</td>
<td></td>
</tr>
</tbody>
</table>

% respondents (base 221)

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8 Percentages in some charts within this report may not add up to precisely 100% due to the impact of rounding.
Views of verifiers

Within local authority verification services, job roles and levels vary between local authorities and are not set to a national template. Most staff are trained and qualified building surveyors with a key aspect of their role being to assess building warrant applications. The role of Inspector tends to involve field-based inspection activities for on-going building work.

Job grades and levels span trainees and building standards officers, through to senior officers (with chartered professional status), team leaders and managers. Most local authorities employ staff with a mix of qualifications and/or long-standing experience in the role – in some cases spanning several decades. Many (but not all) services report low staff turnover and a generally stable workforce.

New recruits are typically required to possess at least a degree level qualification in a relevant discipline, such as building surveying, building engineering or architecture. Chartered professional status (e.g. RICS, CABE or CIOB) is usually ‘desirable’ for new recruits, supported by experience in the field where possible.

Not all long-standing staff members possess chartered professional status and local authorities tend not to pursue this for a number of reasons: firstly that some are reluctant to take on this additional responsibility late on in their careers; and secondly that the attainment of professional status among these staff is unlikely to add additional value or lead to additional income.

“Generally there are similarities between local authorities in terms of the qualification requirements, even though they set their own levels. Sometimes extensive experience may negate the need for formal qualifications.”

Local authority

New recruits and trainees are encouraged to work towards chartered professional qualifications where not already held. Some local authorities would consider a candidate straight from university and would be willing to mentor them to reach chartered status, while others would not be willing to make that commitment due to resource pressures such as cost and time.

“The majority of staff have been here a long time and we don’t have a high staff turnover. That may be to do with geography. Admittedly that’s a double edged sword as it means we don’t regularly refresh the qualifications and knowledge coming in.”

Local authority

There are reports of an ageing profile among verification staff, with an identified need to ensure adequate succession planning is in place for continuity of service. Recruitment challenges tend to prevail in more rural areas, with instances of roles
being re-advertised to ensure vacancies are only filled by candidates with the required mix of qualifications and/or experience.

“We are considering apprentices straight from school to provide technical support. They would get in-house training on our systems and at the end of two year programme they would have a formal qualification and we would try to retain them.”

Local authority

“We recently took on and trained up three graduates to replace one retiring senior member of staff. One graduate is allocated to each team, under the guidance of a separate team leader.”

Local authority

Views of other stakeholders

Based on their own interactions with local authorities, stakeholders generally consider verifiers to be suitably qualified by virtue of their professionalism and competence. There is a general recognition that levels of qualifications and experience vary within and between local authorities but that verifiers are always able to source specialist expertise from outside the local authority where necessary.

“We are absolutely confident the staff are fully qualified. They talk in the same language and we are confident that they understand.”

Certification Scheme provider

There are more than 500 surveyors, inspectors and support staff working across building standards services in Scotland. Table 2 sets out the total number that hold professional membership and possess specialist expertise in specific categories.
Table 2 Number of staff with professional membership and specialist expertise

<table>
<thead>
<tr>
<th>Membership</th>
<th>No. staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Royal Institute of Chartered Surveyors (MRICS)</td>
<td>127</td>
</tr>
<tr>
<td>Chartered Association of Building Engineers (MCABE)</td>
<td>65</td>
</tr>
<tr>
<td>Chartered Institute Of Building (MCIOB)</td>
<td>12</td>
</tr>
<tr>
<td>Engineering Council (CEng)</td>
<td>6</td>
</tr>
<tr>
<td>Institute of Structural Engineers (MIStructE)</td>
<td>6</td>
</tr>
<tr>
<td>Institute of Fire Engineers (MIFIRE)</td>
<td>4</td>
</tr>
<tr>
<td>Institute of Clerks of Works (MICWCI)</td>
<td>2</td>
</tr>
<tr>
<td>Royal Town Planning Institute (MRTPI)</td>
<td>1</td>
</tr>
<tr>
<td>Royal Incorporation of Architects in Scotland (RIAS)</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>224</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Specialist expertise</th>
<th>No. staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expertise in Fire Engineering</td>
<td>8</td>
</tr>
<tr>
<td>Structural Engineers employed within the Building Standards team</td>
<td>8</td>
</tr>
<tr>
<td>Structural Engineers who sit within another Council department/division</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
</tr>
</tbody>
</table>

Source: LABSS (December 2015)

2.2 Competence

Most respondents to the Newsflash survey (77% in total, or 69% excluding verifiers) are generally confident that local authorities employ verification staff who are competent in undertaking their role. The overall level of confidence is not quite as strong as with perceptions of verifiers’ qualifications.

The most confident group of respondents are verifiers themselves, with 84% very confident. The group including other industry respondents is slightly less confident than other categories, with 64% very or somewhat confident that verification staff are suitably qualified (Figure 3).
Views of verifiers

Allocation of verification work is typically undertaken using a risk-based protocol, which aligns qualifications, experience and competence to the nature and complexity of applications and inspection requirements. Risk-based protocols often allow any level of verification staff to become involved in a project (i.e. to support their on-going learning and development), however the level of supervision will vary depending on what is required.

Local authorities describe undertaking regular performance and development reviews with verification staff and seem generally committed to training and making the most of training opportunities, such as workshops led by Certification Scheme Providers and other stakeholders. Chartered professional staff are also required to undertake a programme of Continuous Professional Development (CPD) throughout the year to keep their knowledge up-to-date.

“We are strongly committed to CPD and deliver joint training through the consortium and take up training opportunities available through LABSS and scheme providers. Twice yearly we have a training day with organisations that come in and give direct training to the staff.”

Local authority
“We offer a high level of training, CPD and supervision. We have IIP status which demonstrates the level of training we have in place.”

Local authority

One local authority operating in a mixed urban/rural area mentioned that they use large urban developments as training opportunities for less experienced members of staff, either in a shadowing capacity or working under supervision.

**Views of other stakeholders**

Stakeholders consider verifiers to be competent and professional in undertaking their role, especially by adopting a risk-based approach to allocating and processing applications and being able to source specialist outside expertise where certain skills are not available in-house – most commonly fire engineering or structural engineering.

One national agency noted a risk that third party/outside verifiers could have a vested interest in future projects and could try to ‘hoodwink’ the local authority verifiers to achieve desired outcomes.

“The local authorities have been totally professional and competent. Not all have breadth of knowledge in all areas but they know where to access it.”

Certification Scheme provider

While smaller local authorities are not perceived to be any less transparent and accountable than their larger counterparts, one stakeholder suggested that the breadth and depth of knowledge among verification staff could be lower where there are fewer large scale and complex building developments.

Other concerns are that:

- Verifiers may accept a certificate as evidence of compliance without always checking that this covers all relevant building standards;
- The building standards system does not sufficiently take account of the competence of contractors and installers; and
- Breadth and depth of knowledge could be improved among verifiers, notably in relation to fire engineering and energy performance.
“There are certain parts of the regulations which are becoming more complex, such as energy performance and sustainability standards. It is not always enough to just know the Standard Assessment Procedure (SAP) calculations, as there’s a need to understand what the numbers mean and the implications. It is therefore important that verifiers keep up to date within new industry developments.”

2.3 Accountability to the public

Two thirds of respondents to the Newsflash survey (66%) agree that verifiers demonstrate accountability to the public, although this falls to 54% when verifiers are excluded.

There is a notable difference between the perceptions held by verifiers and the perceptions of all other respondent groups on this matter, with just under half (47%) of agents, architects and designers disagreeing that verification staff demonstrate accountability to the public (Figure 4).

Figure 4 Agreement that verifiers demonstrate accountability to the public
Views of verifiers

Public accountability is underpinned by the fact building standards verification in Scotland is placed solely in the hands of local authorities (i.e. publicly accountable and non-profit-making organisations). The national performance framework also requires local authorities to commit to a National Customer Charter, which sets out minimum standards of service and is intended to give customers the reassurance that a consistent, high quality service will be delivered from all local authorities.

“Local authorities in general are under much more scrutiny to be transparent, and that’s a good thing. Performance outcomes are published, as are balanced scorecards and continuous improvement plans.”

Local authority

Various performance data for most, if not all, local authority verifiers are placed in the public domain, such as their individual Balanced Scorecards and customer satisfaction survey results. The public may be able to access additional information by virtue of a Freedom of Information (FOI) request to the local authority or Scottish Government.

“We follow the customer charter and the national performance framework. We regularly report information to the BSD and maintain our balanced scorecard. We also contribute to any national surveys and engage with customers. Our customer engagement plan is linked both to building and planning and we are open and honest in our reporting.”

Local authority

All verification services effectively have dual reporting functions to ensure performance is reported against local authority and Scottish Government frameworks. Clear complaints processes also appear to be in place across local authorities, with customers able to escalate unresolved complaints to the Scottish Public Services Ombudsmen and LABSS’ Dispute Resolution Service if needs be. At the time of writing it is understood that the Dispute Resolution Service has not yet had to be used.

“It is a relatively small community in this area and I feel that we are in spotlight and we are held accountable by local community as our performance is well known, whether it’s good or bad and this is disseminated very quickly. Our customers tend to know one another.”

Local authority
Views of other stakeholders

Stakeholders acknowledge that verifiers are transparent and accountable through their reporting arrangements. There is a general recognition that verifiers work in a quality-controlled environment and act as a valuable and reliable source of information for customers.

“The evidence is in the numerous enquiries from verifiers to confirm information they have received from agents and contractors to inform the completion certificate, the systems in place all lend themselves to notion of being transparent and accountable. Verifiers are diligent in making sure they are making the right decisions based on the evidence they are given.”

Certification Scheme Provider

There are some concerns among stakeholders that most members of the public do not fully understand the building standards system and that verifiers could do more to assist one-off-applicants. For example customer perceptions of the quality of service may be coloured by a building warrant being declined or inspections revealing risks and problems during construction.

2.4 Impartiality

The majority of respondents to the Newsflash survey (74% in total, or 65% excluding verifiers) generally agree that local authorities employ verification staff who deliver an impartial and objective service. The remainder generally disagree or don’t know.

The most favourable group of respondents are verifiers themselves, of which 92% strongly agree and 7% tend to agree. Individual home owners and tenants are slightly less favourable compared to other groups, with 60% agreeing and 35% disagreeing (Figure 5).
Views of verifiers

Local authorities report that impartiality is ingrained in the verification service and embedded through the working culture and as part of training. It is driven by a fundamental need to act in the public interest and ensure safe buildings; underpinned by the fact verification in Scotland is placed solely in the hands of local authorities as non-profit-making organisations; and supported by the national performance framework which helps to embed national consistency in service – especially through a risk-based approach to the checking and inspection process.

“To ensure that all staff are consistent, and in the interests of objectivity, about 10% of applications are checked and discussed with staff.”

Local authority

Within their local authorities, verifiers operate local policies, procedures and guidelines intended to provide a fair service to all customers and without risk of bias. This includes a risk-based approach to the allocation of work (i.e. based on the qualifications, competence and experience of staff) as well as ensuring that only applications meeting certain criteria are eligible to be fast-tracked, such as building work linked to inward investment and job creation, or disabled adaptations for individuals being discharged from hospital. Discussions as part of consortium group
meetings also take place to help to identify the most appropriate solutions to contentious issues.

While there is no formal requirement for a peer review process, local authorities report undertaking peer reviews within their consortium groups where warrants are needed for work on local authority buildings.

**Views of other stakeholders**

Through their own interactions with verifiers, stakeholders observe high standards of professionalism, openness, scrutiny and adherence to the 2003 Act and technical standards. Although there are some concerns around inconsistencies within and between local authorities in how the technical standards are interpreted, the delivery of an impartial and objective verification service is supported by quality assurance processes and the perceived ‘independence’ of verifiers – all helping to build confidence in the service.

“We have found them to be completely impartial and respond to questions and problems in a professional way. They work within the confines of the Act and technical standards.”

Professional/trade body

**2.5 Perceptions of verifiers’ main strengths and weaknesses**

**Strengths**

Survey respondents’ perceptions of verifiers’ main strengths (ordered from most to least cited) are as follows:

- Impartiality;
- Knowledge and understanding of the building regulations and building standards;
- Breadth of experience and expertise;
- Local knowledge and expertise;
- Ensuring compliance;
- Accountability to the public;
- Providing a professional service;
- Helpfulness;
- Qualifications and competence of staff;
- Openness and transparency;
- Accessibility and availability; and
- Technical aspects of the role e.g. checking plans and drawings, granting building warrants and undertaking site inspections.
“The main performance strength of local authority verifiers is centred on an independent process supported by a range of qualified and experienced surveyors, who are locally based and politically accountable.”

Local authority verifier

“In our most recent experience, verifiers tend to issue the building warrant points very quickly, allowing the developer to respond and move the warrant application forward quickly.”

Developer/contractor

“Some local councils are becoming better at realising what they know and what they don't know. This is very beneficial. They are realising that they need third party reviewers to assist in the review of a fire strategy.”

Engineer

“Verifiers are totally impartial with no vested interest in obtaining future work as has occurred in other countries. They are competent and qualified in having provided the service for years and continually show this through external audit.”

Individual (home owner/tenant)

**Weaknesses**

Survey respondents’ perceptions of verifiers’ main weaknesses (again ordered from most to least cited) are as follows:

- Time taken to deliver specific aspects of the service;
- Lack of resources (including staff);
- Inconsistency of interpretation and quality of service (within and/or between local authorities);
- Lack of funding;
- Lack of knowledge in certain areas;
- Budget cuts affecting staff numbers and quality of service;
- Poor communications/speed of response to queries;
- Inflexibility;
- Political influence/restrictions;
- Lack of availability; and
- Bureaucratic.
“Generally, verifiers are constrained by the same funding problems that all local authority services face so resourcing the service can be a problem.”

Local authority verifier

“There are insufficient staff to deal with a large influx of applications”

Housing association

“The service is inconsistent in the application of standards and guidance.”

House builder

“They lack preparedness to exercise judgement and would rather follow processes. There is a tendency for excess conservatism in design and technical matters”

Agent/architect/designer

“Limited fire safety engineering knowledge leads to reluctance to engage in discussions on fire engineering reports and a tendency to fall back on quoting and relying on the building regulations.”

Engineer
Chapters 3 to 5 present evidence relating to the three broad perspectives of the national performance framework at a Scotland-wide level. A summary of each KPO is followed by charts, tables and commentary to describe and illustrate the data.

In most cases, comparisons are drawn between the 2013-14 and 2014-15 annual reporting periods. Additional data for the first two quarters of 2015-16 are also included but should be treated with caution due to seasonal fluctuations and changes to the building regulations which can lead to a short term spike in applications.

3.1 Overview of building warrant applications

Firstly, and to set performance in context with demand for building standards services in Scotland, Figure 6 shows that over the three financial years from 2012-13 to 2014-15 the volume of building warrant applications increased by 15%.

The remainder of this chapter assesses local authority performance against KPOs 1 and 2.
3.2 KPO1 performance

<table>
<thead>
<tr>
<th>KPO1</th>
<th>Year-on-year reduction in the average time taken to grant a building warrant</th>
</tr>
</thead>
</table>

**Purpose:**

The purpose of this KPO is to minimise the time taken for customers to obtain a building warrant whilst maintaining the appropriate levels of competent plan assessment.

KPO1 covers the design phase of a project, looking at the overall time taken to grant a building warrant. This is important as with the pre-emptive building standards system, the formal permission of the building warrant allows work to start on site. Historically there have been no specific targets for this outcome because the overall time is made up of the time taken by the local authority and the time taken by the applicant. It is dependent on both parties and various factors such as the quality of initial application, the speed of checking, quality of communication and turn-around times.

A comparison between 2013-14 and 2014-15 shows that the total number of building warrants granted by local authorities increased from just below 34,000 to just over 40,000 – a rise of 19%. There are more domestic applications (and subsequent approvals) than non-domestic, with domestic approvals increasing by 20% and non-domestic approvals increasing by 17% (Figure 7).

**Figure 7 Building warrants granted (by type of work)**
A breakdown of total building warrants by value of work (£) is shown in Figure 8. Almost half are for small projects valued at up to £10,000. Looking across both financial years, the volume of applications within each band has increased.

**Figure 8 Building warrants granted (by value of work)**

Between 2013-14 and 2014-15 there was a 19% increase in the average total time taken to grant a building warrant (from 47 days to 56 days). In total, just five out 32 local authorities reduced the average time taken between those years.

This outcome is contrary to the objective of KPO1, which aims for a year-on-year reduction in the average time. However, it is recognised that the figures include time which may be outside local authority control.

The results by type and value of work are shown in Figures 9 and 10:

- The increase in time taken between these years was experienced in relation to domestic and non-domestic work, as well as across all value of work bands;

- Across both years, non-domestic applications typically took about five days longer to approve than domestic applications (Figure 9).

- A relationship can be observed between the value of work and the length of time taken to grant a building warrant, for example in 2014-15 it took an average of 42 days to approve applications with a value less than £10,000, increasing to 104 days for applications with a value greater than £1 million (Figure 10).
In April 2014, optional additional reporting was introduced by the BSD which invited verifiers to disaggregate the total number of working days taken purely by ‘the verifier’ as part of the building warrant approval process.

In the 2014-15 financial year, five out of 32 local authorities provided this additional breakdown, which increased to six for the first two quarters of 2015-16\(^9\). These breakdowns are shown in the final two columns of Tables 3 and 4, which summarise overall performance data for KPO1.

- In 2014-15, the total time taken by ‘the verifier’ averaged out at 24 days per warrant across the five local authorities, with a range from 8 to 44 days;

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\(^9\) For local authorities not supplying the additional breakdown, the main reported issue is the lack of a suitable IT solution for measuring the time taken by different parties, i.e. to ‘start and stop the clock’.
• In quarters 1 and 2 of 2015-16, the total time taken by ‘the verifier’ averaged 28 days per warrant in quarter 1 (range 11 to 49 days) and 29 days in quarter 2 (range 13 to 49 days).

Table 3 KPO1 performance data (overall)

<table>
<thead>
<tr>
<th></th>
<th>Total number of building warrants granted</th>
<th>Average time taken to grant each building warrant (working days)*</th>
<th>Range across local authorities</th>
<th>Average time taken by ‘the verifier’ (working days)*</th>
<th>Range across local authorities*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Last two quarters</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015-16 (Q2)</td>
<td>11,301</td>
<td>63</td>
<td>29 to 97</td>
<td>29</td>
<td>13 to 49</td>
</tr>
<tr>
<td>2015-16 (Q1)</td>
<td>10,814</td>
<td>61</td>
<td>31 to 87</td>
<td>28</td>
<td>11 to 49</td>
</tr>
<tr>
<td><strong>Last two complete annual cycles</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014-15</td>
<td>40,428</td>
<td>56</td>
<td>26 to 81</td>
<td>24</td>
<td>7 to 37</td>
</tr>
<tr>
<td>2013-14</td>
<td>33,785</td>
<td>47</td>
<td>23 to 64</td>
<td>Not recorded</td>
<td>Not recorded</td>
</tr>
</tbody>
</table>

* In 2015-16, seven local authorities provided data on the average time taken by the verifier (working days) to grant building warrants. In 2014-15 this figure was six local authorities.

Table 4 KPO1 performance data (by type and value of work)

<table>
<thead>
<tr>
<th></th>
<th>2014-15</th>
<th>2013-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of building warrants granted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>31,764</td>
<td>26,391</td>
</tr>
<tr>
<td>Non-domestic</td>
<td>8,664</td>
<td>7,394</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category of work</th>
<th>2014-15</th>
<th>2013-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average time taken to grant each building warrant (working days)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>55</td>
<td>45</td>
</tr>
<tr>
<td>Non-domestic</td>
<td>60</td>
<td>49</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Value of work</th>
<th>2014-15</th>
<th>2013-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>£0 - £10,000</td>
<td>19,958</td>
<td>16,481</td>
</tr>
<tr>
<td>£10,001 - £50,000</td>
<td>12,498</td>
<td>10,886</td>
</tr>
<tr>
<td>£50,001 - £250,000</td>
<td>5,657</td>
<td>4,668</td>
</tr>
<tr>
<td>£250,001 - £1,000,000</td>
<td>1,565</td>
<td>1,232</td>
</tr>
<tr>
<td>£1,000,001 and above</td>
<td>750</td>
<td>518</td>
</tr>
</tbody>
</table>
As part of their quarterly data returns to the Scottish Government, some local authorities provided justifications for the time taken to grant a building warrant. The two main reasons reported in Q2 2015/16 are:

- Agents being slow to respond to requests made by the local authority; and
- Increasing volume of applications, leading to resources being stretched to capacity.

Local authorities interviewed as part of the evaluation mentioned that they undertake close internal monitoring of application turnaround times, generally on a weekly basis, and with careful management of work to take account of changing priorities, holidays and sickness etc.

Applications are monitored on a weekly basis and each officer is given a workload of new applications to assess, and points to deal with. We measure the time taken and if officers are absent their work is re-allocated.

Local authority

Several local authorities commented that the introduction of KPO1 has led to more efficient and effective recording and processing of building warrant applications. New systems and software have been introduced, such as Enterprise, which includes a traffic-light monitoring system so cases can be monitored by team leaders and switched between officers as required.

KPO1 has led to positive changes to procedures in how we register and deal with building warrant applications. We have set up a checklist to make sure all steps are complete and if anything is incorrect or missed it is picked up early.

Local authority

There are reports of bottlenecks occurring in the system which can impact on processing times, such as delays caused by agents or other third party specialists involved. One local authority mentioned having introduced ‘follow-up’ systems to encourage/speed up responses to information requests but this isn’t always fruitful, especially where an applicant is not under any time constraint or has other priorities.

At the time the new performance framework was introduced in 2012, the number of building warrant applications had reportedly slowed down as a result of the recession. However, the improving economic climate means KPO1 is now perceived as increasingly challenging in light of growing application numbers. This issue is exacerbated by local authority budget pressures and the fact fee income from building standards is rarely ring-fenced and fee income surpluses can often be redistributed to other areas of the Council.
An observation was made by other stakeholders interviewed for the evaluation that some verifiers can be more rigid than others when granting warrants, specifically how they interpret the building standards and notably in relation to innovative, complex and historic projects.

3.3 KPO2 performance

<table>
<thead>
<tr>
<th>KPO2</th>
<th>Increased quality of assessment and compliance during the construction process</th>
</tr>
</thead>
</table>

**Purpose:**

The purpose of this KPO is to promote quality and consistency of compliance assessment by undertaking timeous and proportionate reasonable inquiries using a risk-based approach to inspection and other forms of assessment, e.g. photographic evidence.

KPO2 covers the construction phase of the project and looks at the role of the verifier and the Relevant Person\(^{10}\) in protecting the public interest. When the work is finished, the Relevant Person will sign off the work by submitting a completion certificate to the local authority. The verifier, after carrying out a process of ‘reasonable inquiry’\(^{11}\), will decide whether to accept or reject the completion certificate.

A key aspect of the inspection process is the Construction Compliance and Notification Plan (CCNP) which was introduced from 1\(^{st}\) October 2012. The CCNP is issued by the local authority at the same time as the building warrant and sets out the notifications required by the relevant person and the inspections the verifier intends to carry out at particular stages as the work progresses.

Local authorities record the number of CCNPs for ‘accepted’ completion certificates, and of these, how many were fully achieved in terms of:

1. Notification by the relevant person; and
2. Inspection by the verifier.

The number of CCNPs for accepted completion certificates increased from 8,806 in 2013-14, to 21,745 in 2014-15 – a rise of 147\%\(^{12}\) (Figure 11).

---

\(^{10}\) The ‘Relevant Person’ refers to the individual responsible for complying with the building regulations – typically the building owner or developer.

\(^{11}\) ‘Reasonable inquiry’ refers to the approach taken by local authorities to verify that building work complies with the approved plans and building regulations, usually through checks and inspections. Reasonable Inquiry is based on a risk assessment methodology, giving consideration to: project or work type; value of work; size and complexity of the work; quality of the application; and competence of the contractor.

\(^{12}\) This rise may be partly attributable to an earlier change in the building regulations and any associated surge in applications.
More than half of CCNPs were issued for work valued below £50,000 (Figure 12).

While the volume of CCNP activity increased between 2013-14 and 2014-15, the proportion of CCNPs that were fully achieved dropped from 61% to 54%.

This pattern applies to domestic and non-domestic work and across all value-of-work bands, with the exception of the highest band (£1 million+) which experienced an increase from 46% to 60% in the proportion of CCNPs fully achieved (Figures 13 and 14).
Analysis of data for the first two quarters of 2015-16 reveals an upturn from 44% (quarter 1) to 51% (quarter 2) in the proportion of CCNPs fully achieved for accepted completion certificates.

Full sets of data for KPO2 are presented in Tables 5 and 6.
Table 5 KPO2 performance data (overall)

<table>
<thead>
<tr>
<th>Last two quarters</th>
<th>Total CCNPs issued for accepted completion certificates</th>
<th>Number fully achieved</th>
<th>% fully achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015-16 (Q2)</td>
<td>7,329</td>
<td>3,743</td>
<td>51%</td>
</tr>
<tr>
<td>2015-16 (Q1)</td>
<td>7,575</td>
<td>3,336</td>
<td>44%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Last two complete annual cycles</th>
<th>Total CCNPs issued for accepted completion certificates</th>
<th>Number fully achieved</th>
<th>% fully achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-15</td>
<td>21,745</td>
<td>11,754</td>
<td>54%</td>
</tr>
<tr>
<td>2013-14</td>
<td>8,806</td>
<td>5,327</td>
<td>61%</td>
</tr>
</tbody>
</table>

Table 6 KPO2 performance data (by type and value of work)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total CCNPs issued for accepted completion certificates</td>
<td>18,565</td>
<td>7,123</td>
<td>10,023</td>
<td>4,367</td>
</tr>
<tr>
<td>Number fully achieved</td>
<td>10,023</td>
<td>4,246</td>
<td>54%</td>
<td>61%</td>
</tr>
<tr>
<td>% fully achieved</td>
<td>54%</td>
<td>61%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>£0 - £10,000</td>
<td>7,409</td>
<td>4,246</td>
<td>57%</td>
<td>66%</td>
</tr>
<tr>
<td>£10,001 - £50,000</td>
<td>6,116</td>
<td>3,092</td>
<td>51%</td>
<td>57%</td>
</tr>
<tr>
<td>£50,001 - £250,000</td>
<td>3,123</td>
<td>1,567</td>
<td>50%</td>
<td>54%</td>
</tr>
<tr>
<td>£250,001 - £1,000,000</td>
<td>1,525</td>
<td>723</td>
<td>47%</td>
<td>60%</td>
</tr>
<tr>
<td>£1,000,001 and above</td>
<td>3,572</td>
<td>2,126</td>
<td>60%</td>
<td>46%</td>
</tr>
</tbody>
</table>

From April 2014, optional additional reporting was introduced to provide a more detailed breakdown of CCNPs fully achieved. This disaggregates duties fulfilled by the Relevant Person and duties fulfilled by the Verifier. In summary the additional breakdowns show:
• CCNPs fully achieved by the Relevant Person and the Verifier;

• CCNPs fully achieved by the Relevant Person (which includes those that are also fully achieved by the Verifier); and

• CCNPs fully achieved by the Verifier (which includes those that are also fully achieved by the Relevant Person)

In 2014-15 seven out of 32 local authorities provided this additional breakdown. In the first two quarters of 2015-16 this rose to eight local authorities.

The results are shown in Table 7, followed by a detailed commentary.

Table 7 KPO2 performance data (additional CCNP breakdowns from 2014-15)

<table>
<thead>
<tr>
<th></th>
<th>Total CCNPs issued for accepted completion certificates</th>
<th>Number fully achieved by Relevant Person and Verifier</th>
<th>% fully achieved by Relevant Person and Verifier</th>
<th>Number fully achieved by Relevant Person</th>
<th>% fully achieved by Relevant Person</th>
<th>Number fully achieved by Verifier</th>
<th>% fully achieved by Verifier</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Last two quarters</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015-16 (Q2)</td>
<td>1,053</td>
<td>625</td>
<td>59%</td>
<td>629</td>
<td>60%</td>
<td>1,042</td>
<td>99%</td>
</tr>
<tr>
<td>2015-16 (Q1)</td>
<td>1,361</td>
<td>571</td>
<td>42%</td>
<td>576</td>
<td>42%</td>
<td>1,350</td>
<td>99%</td>
</tr>
<tr>
<td><strong>Annual cycle</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014-15</td>
<td>2,355</td>
<td>1,583</td>
<td>67%</td>
<td>1,616</td>
<td>69%</td>
<td>2,294</td>
<td>97%</td>
</tr>
</tbody>
</table>

*In 2015-16, eight local authorities provided additional breakdowns of CCNPs fully achieved by Relevant Person and Verifier, respectively. In 2014-15 this figure was seven local authorities. In 2013-14, breakdowns were not requested as part of local authorities' data returns.

Performance in 2014-15 (based on seven local authorities supplying breakdowns):

• Total CCNPs = 2,355;

• Of these, 1,583 CCNPs (67%) were fully achieved by the Relevant Person and the Verifier, meaning that 772 CCNPs (33%) were not fully achieved by one or both;

• 33 CCNPs (1,616-1,583) were only fully achieved by the Relevant Person;
• 711 CCNPs (2,294-1,583) were only fully achieved by the Verifier;

• 28 CCNPs (772-33-711) were not fully achieved by either the Relevant Person or the Verifier.

This summary is illustrated in Figure 15, below (not to scale). All space inside the black perimeter ring represents total CCNPs (2,355). The blue area contains total CCNPs fully achieved by the Relevant Person only; the pale red area contains CCNPs fully achieved by the Verifier only; and the central purple area contains CCNPs fully achieved by both parties.

**Figure 15 Illustration of CCNP achievement by different parties**

![Venn diagram](image)

**Performance in Q1 2015-16:**

• Total CCNPs = 1,361;

• Of these, 571 CCNPs (42%) were fully achieved by the Relevant Person and the Verifier, meaning that 790 CCNPs (58%) were not fully achieved by one or both;

• 5 CCNPs (576-571) were only fully achieved by the Relevant Person;

• 779 CCNPs (1,350-571) were only fully achieved by the Verifier;

• 6 CCNPs (790-5-779) were not fully achieved by either the Relevant Person or the Verifier.
Performance in Q2 2015-16:

- Total CCNPs = 1,053;
- Of these, 625 CCNPs (59%) were fully achieved by the Relevant Person and the Verifier, meaning that 428 CCNPs (41%) were not fully achieved by one or both;
- 4 CCNPs (629-625) were only fully achieved by the Relevant Person;
- 417 CCNPs (1,042-625) were only fully achieved by the Verifier;
- 7 CCNPs (428-4-417) were not fully achieved by either the Relevant Person or the Verifier.

As part of their quarterly data returns to the Scottish Government, the main reason given by local authorities for CCNPs not being fully achieved is a failure on the part of the applicant/agent to notify them when work commences and/or at subsequent key stages in the inspection process.

The main reasons given by local authorities for resulting instances of non-compliance span a range of issues. In quarter 2 of 2015-16 these included:

- Incorrect drainage installation;
- Failure to use approved certifiers of construction;
- Not building in accordance with the approved plans;
- Not using material specified on the approved plans;
- Incorrect insulation installed;
- Structural issues;
- Accessible entrance not provided;
- Soakaway system from septic tank inadequate;
- Unsafe installation of solid fuel burning stove;
- Cavity barriers omitted;
- Balustrading not provided;
- No roof ventilation provided;
- Retaining wall of inadequate dimensions; and
- Emergency lighting failure (LUX levels) and socket proximity to sinks.

Local authorities interviewed for the evaluation are generally positive about the introduction of CCNPs in terms of 1) focusing and structuring Reasonable Inquiry; and 2) effectively targeting and minimising non-compliance by virtue of a more risk-based approach.

However, there appear to be inconsistencies between local authorities in how progress against KPO2 is reported. Some treat an applicant’s failure to notify the start of work as a ‘fail (i.e. CCNP ‘not achieved’), while others are more lenient.
Some verifiers are unclear as to the purpose of KPO2, i.e. whether its goal is to improve compliance or simply to ensure a start of work notification is received. There is also criticism that the system lacks ‘teeth’ and that there are no consequences from a failure to notify the start of works.”

“Failures due to not being notified about the start of work is beyond the control of the local authority, however if you remove the notification issue then 85% are actually being fully achieved whereas it might otherwise only be 18%.”

Local authority

As the technical standards have become more complex, (reference was made to Section 6 – Energy performance of buildings) there is concern among some stakeholders that checks may not always be sufficiently robust to ensure the standards are fully met. It is also noted that verifiers do not always have access to in-house specialist technical expertise (such as electro-technical expertise) although there is general confidence that these skills will be sourced and found if needed.

“Due to financial constraints, local authorities can’t always employ in-house staff who possess all the necessary technical expertise, but they do have access do it. They have developed processes and procedures that gives confidence in the advice and assistance provided by them.”

Certification scheme provider

“There is an issue of consistency of approach across all 32 local authorities. There is guidance available through LABSS, stakeholders and BSD relating to reasonable inquiry. Local authorities will take that away and some will apply that in different ways to others.”

Certification scheme provider
This chapter assesses local authority performance against KPOs 3, 4 and 5 of the national performance framework at a Scotland-wide level. It begins by introducing the Standards and accreditations held by local authorities to support a quality customer experience.

4.1 Standards and accreditations

Customer Service Excellence

Customer Service Excellence® was developed to offer a practical tool for driving customer-focused change within organisations. The foundation of this tool is the Customer Service Excellence (CSE) standard which tests in great depth those areas that research has indicated are a priority for customers, with particular focus on delivery, timeliness, information, professionalism and staff attitude. There is also emphasis placed on developing customer insight, understanding the user’s experience and robust measurement of service satisfaction.

CSE is designed to operate on three distinct levels:

- As a driver of continuous improvement;
- As a skills development tool; and
- As an independent validation of achievement.

At the time of writing, 11 out of 32 local authorities have achieved CSE status. These local authorities describe being proud of this status, that they work hard to maintain a high standard of service, and value CSE as evidence to internal colleagues and customers of the level of customer commitment offered.

Investors in People

The Investors in People (IiP) Standards is an internationally recognised Standard for better people management. Based on 25 years of leading practice, the IiP Standard is underpinned by a rigorous assessment methodology and a framework which reflects the latest workplace trends, essential skills and effective structures required for performance success.

Accreditation against the IiP Standard is expected to denote a great employer, an outperforming place to work and a clear commitment to sustainability.

At the time of writing, 13 out of 32 local authorities have achieved the IiP Standard.
ISO 9001

Published and overseen by the International Organisation for Standardisation (ISO), the ISO 9000 standard is a collection of management principles designed to ensure that an organisation's quality management systems meet the needs of customers, staff and other key stakeholders. Within this structure, ISO 9001 concerns the requirements those companies have to fulfil if they want to successfully meet the standard.

To register for ISO 9001, an organisation must have implemented and documented an independently audited quality management system.

At the time of writing, 7 out of 32 local authorities are ISO 9001 certified.

4.2 KPO3 performance

<table>
<thead>
<tr>
<th>KPO3</th>
<th>Increased commitment to meeting customer expectations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Purpose:</strong></td>
<td>The ultimate purpose of this KPO is to provide an 'escape route' for any customers that are dissatisfied with the agreed processing time of building warrant and amendment to building warrant applications.</td>
</tr>
</tbody>
</table>

KPO3 supports KPO1 and looks at the overall time taken by the local authority to issue the first report, which provides the applicant with a full assessment of their building warrant application. The focus is on first reports issued: in 20 working days or less; between 20 and 35 days; and between 35 days and the statutory backstop of three months (the deemed-refusal backstop period as set out in legislation).

The KPO also considers performance on those applications where the local authority and applicant have entered into a ‘Customer Agreement’ (CA). Instead of reporting against the 20 day figure, the focus here is on the agreed number of days as set out in the CA. This will be project-specific and may be more or less than 20 days, depending on the complexity of the project or any fast tracking arrangement. It also focuses on the numbers of first reports issued between the agreed target and the statutory backstop of three months.

First reports issued without a Customer Agreement (CA)

A comparison of annual data between 2013-14 and 2014-15 reveals an increase of 14% in the total number of first reports issued without customer agreements, from some 37,000 to 42,000 first reports.

Breakdowns by type and value of work are shown in Figures 16 and 17. In line with the mix of building warrant applications, most first reports are for domestic work, and almost half are for work valued up to £10,000.
In both years, the percentage of first reports issued within the 20-day target remained above 90%, with a slight decrease from 92% (2013-14) to 91% (2014-15).

The percentage of first reports issued between the 20-day target and the 35-day backstop period increased slightly from 7% in 2013-14, to 9% in 2014-15. Figures are negligible for first reports issued after the 35-day backstop period and the statutory three-month period (typically less than 1% in each year) – Figure 18.
More detailed results about first reports issued without customer agreements are provided in Tables 8 and 9.

- In the first two quarters of 2015-16, the percentage of first reports issued within the 20-day target fell to 88% in both quarters;

- Of the remaining reports, 11% were issued between the 20-day target and the 35-day backstop period, with the remaining 1% issued after the 35-day backstop period but within three months;

- In both years (2013-14 and 2014-15), first reports for non-domestic took slightly longer to issue than for domestic work;

- First reports for higher value work took longer to issue and more commonly exceeded the 20-day target than lower value work. For example in 2014-15, 93% of first reports were issued within 20 days for projects valued at less than £10,000, compared with 86% for those valued between £50,001 and £250,000, and 77% for projects in excess of £1 million.
### Table 8 KPO3 without CA – performance data (overall)

<table>
<thead>
<tr>
<th></th>
<th>Total number of first reports issued</th>
<th>% issued within the 20 day target</th>
<th>% issued between 20 and 35 days</th>
<th>% issued between 35 days and 3 months</th>
<th>% issued between the 35 day backstop and before the statutory 3 month period</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Last two quarters</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015-16 (Q2)</td>
<td>11,568</td>
<td>88%</td>
<td>11%</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>2015-16 (Q1)</td>
<td>11,906</td>
<td>88%</td>
<td>11%</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td><strong>Last two complete annual cycles</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014-15</td>
<td>42,491</td>
<td>91%</td>
<td>9%</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>2013-14</td>
<td>37,224</td>
<td>92%</td>
<td>7%</td>
<td>0%</td>
<td></td>
</tr>
</tbody>
</table>

### Table 9 KPO3 without CA – performance data (by type and value of work)

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of first reports issued</td>
<td>% issued within the 20 day target</td>
<td>% issued between 20 and 35 days</td>
<td>% issued between 35 days and 3 months</td>
<td>Total number of first reports issued</td>
<td>% issued within the 20 day target</td>
<td>% issued between 20 and 35 days</td>
<td>% issued between 35 days and 3 months</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Category of work</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>33,220</td>
<td>91%</td>
<td>8%</td>
<td>1%</td>
<td>28,993</td>
<td>93%</td>
<td>6%</td>
<td>0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-domestic</td>
<td>9,271</td>
<td>88%</td>
<td>11%</td>
<td>1%</td>
<td>8,231</td>
<td>90%</td>
<td>10%</td>
<td>0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Value of work</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>£0 - £10,000</td>
<td>20,936</td>
<td>93%</td>
<td>6%</td>
<td>1%</td>
<td>18,520</td>
<td>94%</td>
<td>6%</td>
<td>0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>£10,001 - £50,000</td>
<td>13,207</td>
<td>91%</td>
<td>8%</td>
<td>1%</td>
<td>11,665</td>
<td>92%</td>
<td>8%</td>
<td>0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>£50,001 - £250,000</td>
<td>5,945</td>
<td>86%</td>
<td>13%</td>
<td>1%</td>
<td>5,024</td>
<td>90%</td>
<td>10%</td>
<td>1%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>£250,001 - £1,000,000</td>
<td>1,623</td>
<td>82%</td>
<td>16%</td>
<td>2%</td>
<td>1,410</td>
<td>86%</td>
<td>12%</td>
<td>1%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>£1,000,001 and above</td>
<td>780</td>
<td>77%</td>
<td>21%</td>
<td>2%</td>
<td>605</td>
<td>83%</td>
<td>13%</td>
<td>1%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
As part of their quarter 2 (2015-16) reporting to the Scottish Government, local authorities gave the following main reasons why first reports may not be issued within 20 days:

- High workload;
- Staff shortage, staff sickness and staff holidays; and
- Changes to the building standards resulting in more information accompanying building warrants which then needs to be assessed.

**First reports issued with a Customer Agreement (CA)**

A comparison of annual data between 2013-14 and 2014-15 reveals a decrease of 32% in the total number of first reports issued with customer agreements, from 414 to 283 first reports, respectively.

Breakdowns by type and value of work are shown in Figures 19 and 20, showing that:

- The decrease in first reports is more pronounced for non-domestic applications;
- Between both years there was an increase in first reports issued with customer agreements for higher value projects, i.e. those in excess of £250,000.

**Figure 19 Total number of first reports issued – with CA (by type of work)**
The percentage of first reports issued within customer agreed targets decreased from 92% in 2013-14, to 83% in 2014-15 (Figure 21).

More detailed results about first reports issued with customer agreements are provided in Tables 10 and 11.
• Between 2013-14 and 2014-15, the percentage of first reports issued within the CA target timeframe decreased for domestic and non-domestic work, as well as across the lower value-of-work bands up to £50,000;

• This decrease is especially pronounced for work valued at less than £10,000, with the percentage issued within the CA target falling from 94% to 74%;

• Conversely, for work valued between £50,000 and £1 million, there was an increase in the percentage of first reports issued within the CA target;

• Whilst in 2013-14, 100% of first reports with a customer agreement were issued within three months, this fell to 90% in 2014-15;

• In the first two quarters of 2015-16, the percentage of first reports issued within CA target timeframes reached 95% (quarter 1) and 94% (quarter 2). Virtually all of these reports were issued within three months.

Table 10 KPO3 with CA – performance data (overall)

<table>
<thead>
<tr>
<th></th>
<th>Total number of first reports issued</th>
<th>% issued within the CA agreed target</th>
<th>% issued between the CA agreed target and 3 months</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Last two quarters</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015-16 (Q2)</td>
<td>137</td>
<td>94%</td>
<td>5%</td>
</tr>
<tr>
<td>2015-16 (Q1)</td>
<td>75</td>
<td>95%</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Last two complete annual cycles</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014-15</td>
<td>283</td>
<td>83%</td>
<td>7%</td>
</tr>
<tr>
<td>2013-14</td>
<td>414</td>
<td>92%</td>
<td>8%</td>
</tr>
</tbody>
</table>
Table 11 KPO3 with CA – performance data (by type and value of work)

<table>
<thead>
<tr>
<th></th>
<th>2014-15</th>
<th></th>
<th>2013-14</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total number of first reports issued</td>
<td>% issued within the CA agreed target</td>
<td>% issued between the CA agreed target and 3 months</td>
<td>Total number of first reports issued</td>
</tr>
<tr>
<td><strong>Category of work</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>184</td>
<td>83%</td>
<td>6%</td>
<td>311</td>
</tr>
<tr>
<td>Non-domestic</td>
<td>99</td>
<td>84%</td>
<td>8%</td>
<td>103</td>
</tr>
<tr>
<td><strong>Value of work</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>£0 - £10,000</td>
<td>129</td>
<td>75%</td>
<td>7%</td>
<td>176</td>
</tr>
<tr>
<td>£10,001 - £50,000</td>
<td>20</td>
<td>65%</td>
<td>20%</td>
<td>104</td>
</tr>
<tr>
<td>£50,001 - £250,000</td>
<td>21</td>
<td>86%</td>
<td>5%</td>
<td>56</td>
</tr>
<tr>
<td>£250,001 - £1,000,000</td>
<td>46</td>
<td>100%</td>
<td>0%</td>
<td>40</td>
</tr>
<tr>
<td>£1,000,001 and above</td>
<td>67</td>
<td>91%</td>
<td>8%</td>
<td>38</td>
</tr>
</tbody>
</table>

4.3 KPO4 performance

<table>
<thead>
<tr>
<th>KPO4</th>
<th>Adherence to service commitments of a National Customer Charter</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Purpose:</strong></td>
<td>The purpose of this KPO is to demonstrate the shared commitment to service levels and a consistent standard of quality across all verifiers.</td>
</tr>
</tbody>
</table>

Local customer charters have been embedded in all verification services since 2006. The new performance framework introduced a new national customer charter template, designed to complement each local authority’s local charter and demonstrate the commitment to service levels with a consistent standard of quality across all services.

Local authorities are expected to adopt the national approach, review their customer charters quarterly and update these if necessary.
Following a ‘mystery shopper’ website review of all 32 local authority building standards services, only 20 were found to contain links to national and local charters (in some cases single ‘combined’ charters).

- For one local authority, a national charter but not a local charter was identified;
- For two local authorities, local charters but not national charters were identified; and
- For nine local authorities, neither national nor local charters could be located.

Charters are published in a variety of formats (e.g. PDFs or as web pages) and vary in terms of content, style and layout. For example some charters, but not all, include contacts details, information about an ‘escape route’ for customers, performance information and publication dates. Some charters are more than three years old, with one appearing to display outdated targets. In some cases, web links to the customer charters were broken so were treated as ‘not identified’ for the purpose of the evaluation.

4.4 KPO5 performance

<table>
<thead>
<tr>
<th>KPO5</th>
<th>Improvement of the customer experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose:</td>
<td>The purpose of this KPO is for verifiers to gain a more detailed understanding of their different customer groups and be able to respond most appropriately to their needs.</td>
</tr>
</tbody>
</table>

**General customer service principles**

Local authorities interviewed as part of the evaluation report being firmly committed to the customer experience and that this is ingrained within their working culture and supported by the performance framework.

Early engagement with customers at the start of a building project is generally encouraged and promoted among building standards services. Many also have an ‘open door policy’ for imparting pre-application advice, and continue to look for ways to improve quality customer experiences.
“We are always looking for improvements in the way that we do things. We provide electronic updates, newsletters, run surveys and map these to the customer experience. We regularly have working group meetings, and six-week reviews of action plans. We then adapt processes accordingly.”

Local authority

Local authorities mentioned having few or zero complaints as evidence of the high quality customer service they are delivering. Where complaints are received, these are reported to be taken seriously, with clear protocols and escalation procedures in place if needs be, up to and including the Scottish Public Services Ombudsman.

On the whole, other stakeholders interviewed for the evaluation praise the professionalism and high standards of service offered by verifiers “based on the resources available”, which they put down to the culture of offering a truly independent, impartial and publicly accountable service.

“Generally the process is of a very high standard, the service is undertaken in a truly independent manner and they also recognise applicants as being customers of their services and treat them as such.”

Professional/trade body

An observation was made that some local authorities seem to be more “forward-looking” than others in terms of being open to change and new ways of working, such as e-building standards, and that the quality of customer service also appears to vary between local authorities.

The national customer satisfaction survey

In 2013, the Scottish Government commissioned Pye Tait Consulting to develop a national customer survey. The survey aimed to provide national consistency in the measurement of the customer experience using one suite of questions asked of customers of all 32 local authorities.

The survey ran for the first time in 2014 and involved customers of the building standards system during the 2013-14 financial year. It was hosted online and promoted to customers for whom local authorities held email addresses.

The survey was set up and delivered in two phases, involving: 1) developing the questions and survey methodology; and 2) running the initial survey and reporting on findings. Results were produced at national, consortium level and local authority levels.

The survey was repeated in 2015 using comparable questions and involving customers of the building standards system during the 2014-15 financial year. The
results from both surveys have been published on the BSD’s website and some local authorities have also published their own reports.

The first survey achieved 1,444 responses (a response rate of 18%) and the second survey achieved 1,816 responses (a response rate of 16%). The response rates are based on total customer email addresses and response rates/numbers varied considerably between local authorities. There appear to be several possible reasons for this:

- Variations between local authorities in the proportion of customers for whom email addresses were held;
- Some customers (primarily agents) were customers of more than one local authority and did not provide separate survey responses for every local authority; and
- Some local authorities continue to conduct their own local surveys which might therefore impact on their customers’ willingness to complete the national survey.

Main messages from the second national customer survey:

- Customers are generally satisfied with the service they received and the overall satisfaction rating is 7.1 out of 10 (down from 7.5 in 2014);
- The overall satisfaction rating among local authorities with Customer Service Excellence (CSE) status is 7.0 out of 10;
- Across most measures in the survey, customer perceptions are less favourable in 2015 than 2014;
- Satisfaction levels are very similar between direct applicants and agents, although applicants tend to have slightly more favourable perceptions;
- The findings suggest that customers of the largest local authorities appear less likely to be very satisfied with various aspects of the service than customers of smaller local authorities; and
- Customer perceptions and experiences relating to speed of service and efficiency of staff are highly variable. This suggests that local authorities may not be providing high quality service on a consistent basis and/or that some local authorities are delivering better customer service than others.

Table 12 presents the headline results for the 2015 and 2014 surveys, including colour-coding to indicate positive movement (green), negative movement within 5% or a score of 0.5 (yellow) or negative movement in excess of 5% or a score of 0.5 (red).
Table 12 Headline results from the national customer surveys (2015 & 2014)

<table>
<thead>
<tr>
<th>Performance indicators</th>
<th>Scotland 2015</th>
<th>Scotland 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OVERALL SATISFACTION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall satisfaction with the service received (score out of 10)</td>
<td>7.1</td>
<td>7.5</td>
</tr>
<tr>
<td><strong>MEETING EXPECTATIONS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extent to which the service met expectations (score out of 10)</td>
<td>7.1</td>
<td>7.4</td>
</tr>
<tr>
<td>Very/fairly satisfied with the timeliness of various aspects of the service</td>
<td>58%</td>
<td>65%</td>
</tr>
<tr>
<td>Kept very/fairly well informed about the progress of an application or submission</td>
<td>58%</td>
<td>63%</td>
</tr>
<tr>
<td><strong>QUALITY OF SERVICE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly agree/agree to some extent that sufficient advice and guidance was received to meet needs</td>
<td>69%</td>
<td>73%</td>
</tr>
<tr>
<td>Strongly agree/agree to some extent that building standards service staff were polite and courteous</td>
<td>83%</td>
<td>88%</td>
</tr>
<tr>
<td>Yes - an inspection visit was undertaken by building standards staff</td>
<td>64%</td>
<td>61%</td>
</tr>
<tr>
<td>Very/fairly satisfied with the quality of the advice and guidance received from inspection staff</td>
<td>78%</td>
<td>82%</td>
</tr>
<tr>
<td>Yes – aware of the need to notify the building standards service prior to commencing warrantable work</td>
<td>97%</td>
<td>98%</td>
</tr>
<tr>
<td><strong>COMMUNICATIONS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfied with the accuracy of written information (score out of 10)</td>
<td>7.9</td>
<td>8.0</td>
</tr>
<tr>
<td>Satisfied with the quality of written information (score out of 10)</td>
<td>7.8</td>
<td>8.0</td>
</tr>
<tr>
<td>Satisfied with the helpfulness of written information (score out of 10)</td>
<td>7.5</td>
<td>7.8</td>
</tr>
<tr>
<td><strong>ACCESSIBILITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building standards service staff are accessible if I want to meet them in person</td>
<td>65%</td>
<td>N/A</td>
</tr>
<tr>
<td>Building standards service staff are approachable</td>
<td>74%</td>
<td>N/A</td>
</tr>
<tr>
<td>Very/fairly satisfied with the reception service</td>
<td>82%</td>
<td>80%</td>
</tr>
</tbody>
</table>

Most local authorities interviewed as part of the evaluation have found the national survey results helpful for identifying and embedding changes and improvements, such as making website enhancements and encouraging more electronic, as opposed to paper-based, communications.
“The national survey has been valuable, resulting in several action points, such as rejigging and simplifying the website and making it more mobile friendly.”

Local authority

“We found from the survey that the level of customer awareness that inspections had been carried out could be improved, therefore, we generated and delivered a ‘calling card’ for applicants to say that we had visited. We also send a letter to the applicant to advise them of this.”

Local authority

“The results haven’t been that valuable as our response rate was not great, but we’re keen to see it continue for consistency and it’s useful nationally.”

Local authority

As mentioned above, some local authorities continue to undertake their own customer engagement activities in parallel with the national survey, such as customer feedback cards, online surveys (operating either for a fixed period or on a rolling basis) and focus groups. These approaches are commonly used by verifiers to identify and respond directly to individual issues, whereas the national survey has (to date) been conducted independently and is anonymous in nature.

In addition, some local authorities have put in place a customer engagement strategy and supporting service delivery team to identify improvements to communications and service standards.

“We have a strong focus on the customer experience and have been carrying out local surveys for a long time. We operate an office rota so that staff are always available to answer customer queries.”

Local authority
5. Operational and Financial Efficiency

This chapter assesses local authority performance against KPOs 6, 7, 8 and 9 of the national performance framework at a Scotland-wide level.

5.1 KPO6 performance

<table>
<thead>
<tr>
<th>KPO6</th>
<th>Financial governance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Purpose:</strong></td>
<td></td>
</tr>
<tr>
<td>It is vital that resources including budget, staff, IT and other infrastructure are fully harnessed to ensure efficiencies are maximised.</td>
<td></td>
</tr>
<tr>
<td>The purpose of this KPO is to monitor verification fee income compared with the costs of running the service in order to:</td>
<td></td>
</tr>
<tr>
<td>1. Identify where efficiencies can be improved, and</td>
<td></td>
</tr>
<tr>
<td>2. Determine whether verification fees are of a sufficient level to ensure a high quality service can be offered.</td>
<td></td>
</tr>
</tbody>
</table>

The fees payable for building warrant applications are set in the Building (Fees) (Scotland) Regulations 2004. The fee for an application is based on the value of work (£).

Verification staff costs and fee income across Scotland for 2013-14 and 2014-15 are shown in Table 13. In summary:

- Verification staff costs were virtually identical in both years, reaching just over £19m;
- Fee income rose by 6% from £27.1m to £28.7m;
- The value of work increased by 15% from £5.4bn to £6.2bn;
- Fee income as a percentage of staff costs increased from 141% to 150% (i.e. a surplus in both years);
- The majority of local authorities (26 out of 32) achieved a fee income surplus in 2014-15, with a range from 68% to 293% across all Councils;
- In quarter 1 of 2015-16, a fee income surplus of 178% was achieved and 28 local authorities achieved a surplus; and
In quarter 2 the fee income surplus almost doubled to 336%, with 29 local authorities achieving a surplus.\textsuperscript{13}

Table 13 KPO6 performance data (overall)

<table>
<thead>
<tr>
<th></th>
<th>Verification staff costs (000s)</th>
<th>Fee income (000s)</th>
<th>Value of work (000s)</th>
<th>Fee income as a percentage of staff costs</th>
<th>Range across all local authorities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Last two quarters</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015-16 (Q2)</td>
<td>£4,798</td>
<td>£16,123</td>
<td>£4,989,218</td>
<td>336%</td>
<td>81% to 666%</td>
</tr>
<tr>
<td>2015-16 (Q1)</td>
<td>£4,572</td>
<td>£8,136</td>
<td>£1,637,366</td>
<td>178%</td>
<td>73% to 332%</td>
</tr>
<tr>
<td><strong>Last two complete annual cycles</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014-15</td>
<td>£19,125</td>
<td>£28,674</td>
<td>£6,174,501</td>
<td>150%</td>
<td>68% to 293%</td>
</tr>
<tr>
<td>2013-14</td>
<td>£19,144</td>
<td>£27,115</td>
<td>£5,367,289</td>
<td>141%</td>
<td>63% to 293%</td>
</tr>
</tbody>
</table>

Risk of under-resourcing

It is important to note that a high level of fee income against staff costs does not automatically translate to efficient service. Where there are poor turnaround times for granting building warrants (KPO1) and/or extensive time taken to issue first reports (KPO3), there could be under-resourcing in staff terms (which might imply that surpluses are not re-invested in the service).

The annualised data for 2014-15 reveals six local authorities for which fee income was more than 150% of staff costs (in two cases more than 200% of staff costs), yet total days taken to grant a building warrant for those authorities was higher than the national average, with a range between 63 and 68 days.

How financial information is used

Local authorities interviewed as part of the evaluation report that the financial data gathered to meet KPO 6 helps them to keep on top of income and expenditure and determine what adjustments can and should be made to improve efficiency and effectiveness. These figures often inform internal discussions and team meetings covering finance, budgets and resources. It also reportedly helps senior leadership teams within Councils to achieve a shared understanding of workload, performance requirements and the resources needed to run the building standards service.

A key challenge in the majority of cases is that revenue from building standards – particularly surpluses – is not ring-fenced and can often be re-directed to other

\textsuperscript{13} The rise in fee income as a percentage of staff costs between quarter s1 and 2 in 2015-16 may be partly attributable to an earlier change in the building regulations and any associated surge in applications.
services within the Council. Indeed one verifier described building standards as a “cash cow” for their local authority.

**Resourcing to meet demand**

The economic recovery following the last recession appears to be resulting in more building work across Scotland, which is increasing the demand placed on building standards services (cf. Figure 6 showing a year-on-year increase in building warrant applications). While some local authorities have been able to expand and take on additional staff, others report cuts to budgets and staff, leaving them stretched very thinly and making efficiency savings an essential step.

“At the time the framework was launched we were shedding staff. Things are improving now and we’re justifying additional staff and overtime.”

Local authority

“Our workload has been on the increase and staff levels remained the same until we hit this year where we’ve had long term sickness, maternity leave and retirement which has been a challenge to fill.”

Local authority

It should be noted that the impact of the economic recovery on demand is not felt everywhere, with one local authority in a primarily rural area mentioning that the absence of any major new housing developments has stifled the ability to recoup performance to the desired levels.

Other stakeholders are of the view that financial constraints affecting local authorities mean that building standards services cannot always employ in-house staff with all the necessary technical skills, but that they do have access to those skills from elsewhere when needed.

**Introduction of e-building standards**

In line with the Scottish Government's digital strategy and in response to feedback received from e-Planning portal users and local authorities, the Scottish Government is launching e-building standards in the summer of 2016. The e-building standards portal will enable electronic submission of applications for building warrants and other related forms, such as completion certificates, to the local authority. The portal is being designed with a similar look and feel to the e-planning portal.

On the whole, e-building standards is warmly welcomed by verifiers and many have already prepared local businesses cases and achieved additional funding (in some cases several hundred thousand pounds) to invest in new technology such as dual screens. Almost all local authorities are of the view that the initial bedding in period for e-building standards might lead to a short term dip in performance levels but that long term gains and efficiency improvements would be inevitable.
“We are going through a complete service review of the customer journey and this involves replacing back office systems at a cost of approximately £300,000. This will allow us to deliver e-building standards.”

— Local authority

“Looking long term, e-building standards is an excellent move and will enhance the customer experience. We are now starting to look at the skill-sets of current staff and new recruits in terms of their ability to work with these types of systems, as there will inevitably be a transition period.”

— Local authority

5.2 KPO7 performance

<table>
<thead>
<tr>
<th>KPO7</th>
<th>Improved partnership working underpinned by engagement with a National Forum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose:</td>
<td></td>
</tr>
</tbody>
</table>

The purpose of this KPO is to bring together key stakeholders in the construction industry and encourage collaborative partnership working. This approach aims to underpin greater consistency and seek solutions to issues in the public interest.

Although a National Forum has not been formally set up, the overall aim of this outcome has been met through a combination of other activities, including:

- Construction Scotland (the Industry Leadership Group for the construction sector) set up a Planning and Building Regulation Group in 2014 which includes representatives from Local Authority Building Standards Scotland (LABSS) and the BSD. There have been five meetings to date;

- BSD departmental working groups with industry representation to undertake reviews of building standards;

- Short term cross industry groups set up by the BSD for specific technical or procedural issues such as fire suppression, water supplies for fire-fighting, dealing with extending validity of building warrants and retro fitting external wall insulation; and

- Quarterly BSD/LABSS strategic liaison group meetings plus regular certification liaison groups comprising certification scheme providers, LABSS and the BSD.
Local authorities interviewed for the evaluation report working closely with LABSS and as part of their consortium groups. This includes:

- Establishing new customer-focused initiatives such as the Scottish Type Approval Scheme (STAS) to improve national consistency in verification across Scotland;

- Developing procedural guides on Equivalence in Verification, applicable to work not covered by a Certificate of Design or Certificate of Construction which outlines the recommended approach verifiers should take to ensure robustness of the verification process;

- Forming working groups with a specific purpose and with aims that will benefit building standards services across Scotland;

- Developing a local ‘escape route’ procedure where mutual aid can be offered should any one consortium member authority find problems in meeting targets;

- Discussing pertinent and complex issues such as common problems encountered on site or particular standards that are causing issues with their application or interpretation;

- Sharing knowledge and best practice; and

- Organising and planning training.

Extensive stakeholder engagement activities are in some cases formalised through Memorandums of Understanding and Service Level Agreements between local authorities and a wider range of other agencies and bodies. These include Certification Scheme Providers, Scottish Fire and Rescue, various trade and professional bodies, membership organisations and others. Formalised agreements are reported to enable more considered and consistent working relations. Specific engagement activities include knowledge and information sharing (two-way), training sessions and community engagement activities.

“We’ve worked closely with a trade federation to ensure their members take part in CCNP more vigorously.”

Local authority

Verifiers describe forming internal partnerships within Councils and benchmark performance against other departments, for example planning and regeneration services. This is reported to help with joined-up working, for example in the regeneration and redevelopment of brownfield sites.

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14 The Scottish Type Approval Scheme enables companies who build normally (but not exclusively) high volume buildings across Scotland to have their designs assessed and approved once. This means they will not be asked to change the design by any verifier across the country, with the exception of site specific matters such as ground conditions and drainage etc.
Other stakeholders praised partnership working arrangements for being constructive and helpful, i.e. corroborating the activities mentioned by local authorities.

“All the certification scheme providers meet with the BSD and LABSS representatives twice a year. That is a good forum for exchanging information. And we will also let them know when we’re running training so building standards staff can go along.”

Certification scheme provider

5.3 KPO8 performance

<table>
<thead>
<tr>
<th>KPO8</th>
<th>Development of and adherence to objectives outlined in the balanced scorecard</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose:</td>
<td>The purpose of this KPO is to enable a consistent approach to reporting on the core perspectives of the current framework and cross-cutting themes.</td>
</tr>
</tbody>
</table>

The balanced scorecard approach was first introduced for the 2005-2011 appointment period. It enabled verifiers to report performance to Scottish Ministers and resulted in a stronger focus on customer service in particular.

In 2012 a revised balanced scorecard was introduced using a new national template that sets out what should be covered, namely:

- Introduction to the local authority and the balanced scorecard, including an organisational chart;
- Building standards verification service information, including a public interest statement;
- Strategic objectives;
- Key Performance Outcomes, including a narrative linked to the three broad perspectives of the framework; and
- Any additional data.

Since April 2013 each local authority has been expected to publish its balanced scorecard on its own website. As of April 2014 balanced scorecards are also expected to incorporate a summary of the relevant local authority’s Continuous Improvement Plan (CIP) – see KPO9.

To inform the evaluation, the BSD supplied Pye Tait Consulting with the latest available balanced scorecards from individual local authorities. In total, 31 (out of a possible 32) were available for review. Of these:
• 26 were for the current (2015-16) financial year;
• Three were dated 2014-15; and
• Two were dated 2013-14.

Table 14 summarises the number and percentage containing discrete coverage of performance-related information.

Table 14 Balanced scorecards – content and coverage

<table>
<thead>
<tr>
<th>Content</th>
<th>Balanced Scorecards containing coverage (out of 31)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heading - Professional expertise &amp; technical processes</td>
<td>28 (90%)</td>
</tr>
<tr>
<td>Heading - Quality customer experience</td>
<td>28 (90%)</td>
</tr>
<tr>
<td>Heading - Operational &amp; financial efficiency</td>
<td>28 (90%)</td>
</tr>
<tr>
<td>Public interest (cross-cutting theme)</td>
<td>31 (100%) although only 13 (42%) included ‘Public Interest’ as a heading</td>
</tr>
<tr>
<td>Summary of Continuous Improvement Plan</td>
<td>20 (65%)</td>
</tr>
</tbody>
</table>

While most local authorities generally capture the information set out in the national template document, the ordering and the way this information is presented (for example using a combination of text, tables and/or charts) varies between Councils.

A total of 25 (out of a possible 32) Balanced Scorecards could be located on local authority websites.

5.4 KPO9 performance

<table>
<thead>
<tr>
<th>KPO9</th>
<th>Commitment to continuous improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Purpose:</strong></td>
<td>The purpose of this KPO is to enable verifiers to demonstrate their commitment to continuous improvement which cuts across all aspects of their balanced scorecard.</td>
</tr>
</tbody>
</table>

Continuous improvement is a dynamic evolving process which continually seeks to respond to customer needs. It is embedded in the culture of an effective building standards service and is a critical success factor in relation to raising the bar for compliance and consistency. Continuous improvement may look towards:
- Delivery (customer valued) processes which are constantly evaluated and improved in the light of their efficiency, effectiveness and flexibility;

- Changes to and demands from the business environment;

- Incremental improvements over time, with a focus on the on-going changing business environment; and

- Peer review, benchmarking and sharing best practice.

Use of a Continuous Improvement Plan (CIP) is intended to enable each local authority to demonstrate commitment to continuous improvement across all aspects of their balanced scorecard. The CIPs also allow the Scottish Government to assess the current position of verifiers and see their business ambitions and progress.

The performance framework from 2012 has involved verifiers undertaking regular reviews of their CIP. It is expected that they maintain a detailed version for their own business planning and report progress updates and future actions through a summary version on a quarterly basis to the Scottish Government.

A new and more structured CIP template was introduced from 1st April 2014. For each key action local authorities are asked to indicate the KPO to which the action relates, assign a priority level, target completion date and show the current status (e.g. on target or behind schedule).

Some local authorities interviewed for the evaluation commented that use of the CIP helps to focus their attention, reinforce continuous improvement and provide a useful reminder of actions that need to be taken.

A minority feel that completion of the CIP is an additional burden, is used to report actions that are already undertaken “as a matter of course”, and is perceived as being more useful to the BSD as a reporting tool than for local authorities themselves.

“*We were told quite bluntly that had to use the standard CIP template but it’s like taking a sledgehammer to crack a nut and the BSD doesn’t seem to do anything with this information anyway. They would be better targeting more intensive action planning towards local authorities that need to improve.*”

Local authority

There are also suggestions that the current CIP template should be simplified, for example by simply asking local authorities to set out longer term strategic actions for the year ahead rather than detailed actions every quarter.

As part of the evaluation, a review was carried out of local authority CIPs produced in quarter 1 and quarter 2 of 2015-16.
• In Q2, most local authorities (24) supplied their CIPs in MS Excel format, with seven using MS Word;

• All bar one local authority directly referenced and followed-up on Q1 actions within their Q2 CIP, as well as setting out actions for the next quarter;

• For each action, all bar one local authority stated a target completion date, status (e.g. complete, on schedule or behind schedule) and priority level (high, medium or low);

• The vast majority of actions listed in the CIPs are classified as either on schedule or complete;

• There is no evidence of local authorities arbitrarily ‘pushing back’ target completion dates from one quarter to the next without explanation.

In Q2, a total of 16 local authorities reported a combined total of 42 ‘behind schedule’ actions. These are summarised (by KPO) in Table 15.

Table 15 CIPs – number of ‘behind schedule’ actions by KPO

<table>
<thead>
<tr>
<th>KPO</th>
<th>Number of 'behind schedule' actions (Q2 2015-16)</th>
</tr>
</thead>
<tbody>
<tr>
<td>KPO1</td>
<td>16</td>
</tr>
<tr>
<td>KPO2</td>
<td>6</td>
</tr>
<tr>
<td>KPO3</td>
<td>2</td>
</tr>
<tr>
<td>KPO4</td>
<td>1</td>
</tr>
<tr>
<td>KPO5</td>
<td>6</td>
</tr>
<tr>
<td>KPO6</td>
<td>6</td>
</tr>
<tr>
<td>KPO7</td>
<td>0</td>
</tr>
<tr>
<td>KPO8</td>
<td>3</td>
</tr>
<tr>
<td>KPO9</td>
<td>2</td>
</tr>
</tbody>
</table>

The most common areas reported as behind schedule include:

• Annual review of the training regime for trainees and assistants;
• Development and implementation of e-Building Standards;
• Development of technical, procedural and quality check procedures; and
• Production of e-learning modules for staff development.

Actions in preparation for the national e-building standards service are generally listed as ‘high’ priority, although these specific actions vary by local authority depending on what each Council still needs to do.

Examples of actions relating to e-building standards include:
• Entering into discussions with software providers to instigate system changes;
• Updating staff training requirements;
• Calculating costs associated with the introduction of e-building standards; and
• Publicising the e-system.

While some of these actions have a target completion date set for March or June 2016, others are listed as ‘ongoing’.
6. Impact of the Performance Framework

6.1 Performance strengths since the framework was established

Respondents to the online Newsflash survey were asked what performance improvements they believe have taken place since the current framework was introduced in 2012.

Main comments from verifiers (ordered from most to least cited):

- Introduction of national targets which drive focus, consistency and comparability (e.g. through benchmarking);
- Culture of reflection and continuous improvement;
- Transparent and accountable customer-focused approach;
- Strong partnership engagement system;
- Better allocation and use of resources in the most important areas; and
- More targeted inspections carried out.

“What gets measured gets done.”

“The framework has encouraged verifiers to speak to each other (through LABSS) and this has improved consistency in interpretation. Verifiers are now more business and customer focused although there is still room for improvement and the KPOs will help to achieve this.”

“The quarterly returns provide a great benchmarking opportunity and indicate if there are dips in performance. This allows the service to evaluate issues at an early opportunity and put things right.”

“There is too much emphasis on figures to the detriment of quality”

“Other councils are statistically doing better than us but they generally have more staff, less workload and a smaller area to cover”

“I wonder what’s going to happen when a local authority actually achieves 100% and then ‘disastrously’ drops to 99%.”

Local authorities
Main comments from non-verifiers (ordered from most to least cited):

- Better communication and response times;
- Improvement in customer focus;
- Faster turnaround of applications;
- Verifiers taking pride in their role;
- A more professional feel to the service;
- More transparency (e.g. information published on the website);
- More open to discussion; and
- Better understanding of the role and time constraints of developers.

“The quality of verifiers’ performance has always been good and the speed of outcome has improved.”
Agent/architect/designer

“Verifiers engage with LABSS, undertake training and plan training to address knowledge gaps in their teams”
Professional/trade body

“Verifiers are now more open to discussion and the process is generally quicker”
Certifier of Construction

“The review of building warrant submissions is quicker and the developer is kept up to date with the progression of the warrant instead of having to make phone calls.”
Developer/contractor

“They have a greater understanding of technical issues relevant to my field, i.e. fire engineering. I also feel that most are aware of what they don't know, thus ensuring suitably skilled individuals undertake that review.”
Engineer
“Many verifiers are responding in a timely way, communicating better and making well-reasoned comments. However, there are others where I feel there is no improvement in performance.”

Engineer

“The first response on warrant applications has got quicker and it is easier to get a hold of an officer/surveyor.”

Individual (homeowner/tenant)

6.2 Performance weaknesses since the framework was established

Respondents to the survey were asked to describe any areas where they feel performance has not improved since the current framework was introduced.

Main comments from verifiers:

- Significant time is spent on preparing KPO data with no obvious outcomes;
- The service is under-resourced;
- There has been little change as a result of the framework, or that can be directly attributable to the framework;
- Acceptance of alternative forms of evidence has increased but compliance doesn’t seem to have improved.

“The introduction of the KPO framework has coincided with a reduction in staff numbers in my own local authority. The statistics are therefore distorted, hence meaningful benchmarking has not been possible.”

“The service is under resourced due to cuts during the recession and insufficient recruitment and reinvestment as the building industry improved.”

Local authorities

Several local authorities interviewed as part of the evaluation feel that they are reporting “for reporting’s sake” and do not receive sufficient feedback from the BSD on their data submissions. Reporting on a quarterly basis is described as burdensome, especially with application numbers on the increase, coupled with the view that six-monthly reporting would be better.

Some local authorities report difficulties accessing the necessary IT and admin support to enable them to populate certain fields in the data returns (especially the
new breakdowns for KPOs 1 and 2) as this support is often a shared resource among other Council departments.

An observation was also made that there seems to be a ‘disconnect’ between the Single Outcome Agreements (SOAs)\(^{15}\) and the national KPO objectives and that these could be more closely aligned, for example making clear how the national framework supports local outcomes.

While other stakeholders are confident that verifiers are working in line with the national performance framework, approaches are perceived to vary across Scotland, which is put down to variable workloads and resourcing levels.

**Main comments from non-verifiers:**

- Performance levels don’t seem to have changed;
- Response times are slower;
- Local authority budget cuts are affecting staff levels, including knowledge and experience;
- The nature and quality of service varies within and between local authorities;
- Customer focus is still lacking in some local authorities; and
- There is too much emphasis on ‘box ticking’ and meeting targets to the detriment of quality.

> “Due to local authority cuts, I understand that building standards staff are under increased pressure to carry out their duties. [Redacted] Council has even tailored its service to these tighter arrangements which, in my view, is regressive and will lead to longer periods to obtain building warrant approval.”

Agent/architect/designer

> “The construction compliance checks are a tick box exercise and there is no substantive evidence to demonstrate they are making a positive difference.”

Insurance company

\(^{15}\) Single Outcome Agreements (SOAs) represent a key component of strengthened community planning and set out how each Community Planning Partnership (CPP) is aligning its approach with the four pillars of public service reform: prevention; local integration and partnership; performance improvement, and investment in people.
“I haven't witnessed an increased level of site presence.”
Certifier of Construction

“The 'customers' of the service are not seeing any real benefits such as streamlined processes and/or timescales.”
Developer/contractor

“It is common on projects to wait for 6-12 months for technical decisions on the warrant application, which frankly is unacceptable in the present climate where there is more pressure to make economical viable projects.”
Engineer

“It appears that verifiers have gone backwards in terms of technical expertise in fire design, which means that they are not able to cope with latest design methods etc.”
Engineer

6.3 Suggested changes or improvements to building standards in Scotland

Respondents to the Newsflash survey were asked what changes or improvements they believe should be made to building standards in Scotland. Perceptions, ordered from most to least cited, are as follows:

- More staff and resources;
- Greater consistency in approach and interpretation;
- Speedier service delivery;
- More funding needed;
- More/better training for verification staff;
- Better technical knowledge and understanding needed;
- Ring-fence fees within the building standards service;
- Introduce more competition in verification;
- Improve/simplify the building standards themselves; and
- Introduce penalties if commitments not met.
“Investment in staff is needed to meet any upturn in construction activity.”

Local authority verifier

“Any revenue generated from the building warrant application fees should be kept in the department and used by Building Standards.”

Local authority verifier

“The importance of the Building Standards service needs to be better promoted at both national and local levels.”

Local authority verifier

“Verifiers need better funding to meet the demand placed on them”

Agent/architect/designer

“The role of verifiers needs to stay with the local authority as they remain impartial and not influenced by commercial pressures.”

Housing association

“Some competition and a choice of alternative verifiers would help lift the standards.”

Engineer

“What could be improved is to publish a decision log alongside the approval document detailing what issues were raised, rejected, amended and approved to inform future decisions across Scotland for similar approaches”

National agency

Several local authorities believe the framework has formalised what they were already doing and needs to evolve and adapt. Suggestions include:

- Moving the focus of KPO1 away from speed of response, instead focusing more on improving customer understanding and confidence in the system;

- Setting national standards in terms of qualifications and competence, which are conditions of appointment in the building regulations but not nationally defined.
All ten stakeholder organisations interviewed as part of the evaluation think that local authorities should be reappointed in their role as verifiers from 2017. Reasons include:

- Local authority verifiers already do a good job under difficult (economic and financial) circumstances;
- A huge amount of work has been put into delivering a more rigorous and nationally consistent verification service;
- There has been insufficient time to see the results of increased compliance checks, particularly following the introduction of CCNPs, and this needs time to bed in;
- It is important to maintain an independent and impartial verification service to ensure the public interest is protected;
- Local authorities have developed their knowledge of sites in their area over many years and that expertise needs to be retained;
- The Approved Inspector Scheme model that operates in England and Wales, involving private sector organisations, results in inconsistencies in service.

“The current system is under-funded and under-resourced but local authority verification is the safest model and it’s worked for years.”

National agency

One stakeholder feels that if private sector verifiers are authorised to operate alongside local authorities that this might create a two-tier system whereby larger organisations are more likely to go to a private sector body to obtain faster approval, whilst smaller organisations and one-off applicants are more likely to go through their “trusted” local authority. If demand for local authority verification reduces then there is a concern that this might have implications for the future viability of these services.

It is also suggested that passing jurisdiction for verification on to third parties could potentially lead to less safe designs and consultations being ignored in the view of economic progress rather than human safety.
Case study interviews were completed with eight local authorities, resulting in a series of eleven vignettes, below. Each of these focuses on a particular challenge faced by the building standards service and the mitigating steps taken.

Some of these challenges are broad in nature and relate to the economic environment and level of demand placed on the service. Others have emerged as a direct result of the performance framework and the remainder relate to operating arrangements within the local authority.

Case studies are anonymised and each local authority is labelled from A to H.

7.1 Economic and business environment

**Case study 1: Overcoming recruitment difficulties**

Local Authority A (medium-sized, 1,000-2,000 building warrant applications per annum)

A key challenge for this local authority has been recruiting and retaining building standards staff. This is put down to the comparatively high cost of living compared to some other parts of Scotland and insufficient flexibility to pay higher salaries that would make the offer more attractive.

Over the past three years the local authority has been proactive in promoting careers in building standards and has developed close links with local universities, given talks to architectural students and provided work experience opportunities. Four new members of staff have been recruited through these channels over the past three years which has allowed the local authority to respond to growing work volumes.

**Case study 2: Managing geographical challenges**

Local Authority C (small, up to 1,000 building warrant applications per annum)

Located across a primarily rural area, staff of this local authority can be away for several days, especially if travelling to the islands. This can also make it difficult to organise a mutually convenient time with the applicant to visit and inspect a site.

Verifiers have worked pragmatically with applicants and agents to consider alternative means of evidencing compliance, such as photographs or reports from building professionals. Electronic communications are strongly encouraged and e-
applications are already accepted well ahead of the national roll-out of e-building standards. Home-based working helps to improve productivity as open plan offices are not always conducive to assessing complex applications. Verifiers are also given laptops to make remote working easier and to enable them to attend virtual meetings.

Case study 3: Verification in a fragile economic environment
Local Authority C (small, up to 1,000 building warrant applications per annum)

Despite a rise in building warrant applications, this local authority remains cautious about the sustainability of the current economic recovery. There is also a reluctance to instigate further savings where these could adversely affect a customer-focused service.

The service has therefore sought alternative forms of income, for example successfully tendering for verification work ‘behind military lines’ for which the use of local authorities is not a legal requirement. In addition, building standards staff are supported through their professional development and qualifications attainment, so they can work and make more decisions independently.

Case study 4: Managing rising workloads
Local Authority E (large, more than 2,000 building warrant applications per annum)

During the recession, building standards income dropped for this local authority – primarily due to lower value, as opposed to lower volume, applications. This meant some staff were lost and not replaced, making it difficult for the service to recover when more in the way of higher value applications were received. In addition, the introduction of CCNPs and associated site inspections is reported to have placed an additional resource burden on the service.

The local authority has had to put forward strong evidence-based business cases when looking to recruit new members of staff, involving robust monitoring and reporting to justify these requests. Smart approaches are also taken to inspections to make these as efficient as possible, for example thinking ahead to what stage would be most suitable for checking aspects such as drainage, foundations and insulation.

A key action taken by the local authority has been to conduct a ‘lean review’, involving identifying and stripping out unnecessary processes. Part of this involves promoting customer ‘self-help’ initiatives such as accessing guidance online. In addition, many telephone enquiries have been found to be simple to deal with, so these are now being screened out to admin/support staff so that trained officers can focus on the main part of their job.
7.2 Aspects of the performance framework

Case study 5: Resourcing to meet the new performance framework

Local Authority F (large, more than 2,000 building warrant applications per annum)

The introduction of the current performance framework presented a resourcing challenge for this local authority, especially to meet KPOs 1 and 3. In addition, the introduction of KPO2 necessitated a ‘sea-change’ within the service.

The service has taken a number of steps to restructure the team and invest in new software which has helped to bring out the ‘best value’. These have included:

- Allocation of lower risk to inspectors (supported by assistant inspectors) and higher risk work to surveyors;
- A new tier of lead professional staff with daily oversight of technical, quality, compliance and risk matters, in turn enabling managers to focus more on people and performance;
- Investment in the Enterprise software programme to improve the efficiency of surveyors’ work, in turn allowing managers to efficiently ‘drag’ applications from screen to screen/surveyor to surveyor, where work needs to be reallocated; and
- More joined-up working between building standards and private housing standards teams, which offers greater shared insight into dangerous and defective buildings.

Case study 6: Meeting the requirements of KPO2

Local Authority H (medium-sized, 1,000-2,000 building warrant applications per annum)

This local authority described how meeting KPO2 has been a particular challenge due to a number of issues being prevalent. In particular:

- Despite briefing sessions with agents and trying to encourage buy-in, there are still many instances of the local authority not being notified when work commences on site;
- Applicants tend not to be concerned with notifying the local authority as they leave this in the hands of their agent; and
• For multi-plot sites, the guidance states that notifications should be received for each and every property, but some local authorities only require it for the first house.

While there is reported to be a steady improvement in the level of notifications, this local authority would like to see clearer guidance and removal of the requirement for a building commencement notice.

Case study 7: Meeting the requirements of KPO3

Local Authority D (small, up to 1,000 building warrant applications per annum)

Issuing first reports within the target of 20 days (KPO3) is proving difficult for this local authority, especially for high value projects and multi-plot sites. This is exacerbated by difficulties recruiting new staff following retirement, maternity leave and loss of staff to other local authority. While job applications have been received, it has been difficult to find candidates with the required knowledge and experience. Indeed, prior experience of building standards is considered particularly important due to an increasing workload prohibiting the ability to invest in training.

The local authority has made more use of Customer Agreements to manage customer expectations. This is especially the case for higher value work and multi-plot sites where more detailed consideration and reporting is needed and can be justified to the customer.

The local authority also makes use of experienced agency surveyors to help maintain service delivery and has been able to offer salary incentives to attract staff from other local authorities.

Case study 8: Ensuring service consistency within the local authority

Local Authority E (large, more than 2,000 building warrant applications per annum)

A key business challenge for this local authority was a merger between planning and building standards, resulting in no single person at senior management level having overall responsibility for building standards. The Council is also organised and divided into teams who work on a ‘neighbourhood’ basis.

On the one hand, this management structure is reported to work quite successfully, for example ensuring building standards and planning teams cooperate; that services are harmonised and that the risk of conflict minimised. However, there is a need to ensure consistency of service and interpretation of the building regulations between different teams. Internal forums are therefore convened to talk over technical issues and to ensure everyone is “speaking the same language”.
7.3 Internal operations and resourcing

Case study 9: Drawing on customer-focused credentials to support discussions within internal stakeholders

Local Authority B (small, up to 1,000 building warrant applications per annum)

This local authority described how building standards is perceived as something of a “cash cow” for other services across the Council, with a key challenge being negotiating retention of fees within building standards.

The service therefore draws on its accreditations such as CSE, ISO9001 and IiP. The principles of these standards are embedded in working practice and this is reported to be evident to other colleagues within the Council. It is found to give the service more credibility and protection and a greater chance of views being “listened to” by business leaders. That can help when discussions are needed around how to make best use of fee income.

Case study 10: Managing IT and admin resources

Local Authority G (large, more than 2,000 building warrant applications per annum)

For this large Council, the main challenges have been internal in nature. A transfer of administration staff from direct to central management control has made it harder to access admin support, resulting in building standards becoming a ‘client’ of the Council. Difficulties have also been experienced obtaining upgrades and enhancements to the IT system due to the provider not being able to accommodate requests from a single local authority.

These challenges are proving hard to overcome. Service Level Agreements have been set up with administration teams, but existing contract arrangements with IT suppliers makes it difficult to negotiate additional support.

Case study 11: Getting up to speed with e-building standards

Local Authority D (small, up to 1,000 building warrant applications per annum)

A long-standing workforce, coupled with traditional ways of working, led to apprehension within this local authority when looking at more electronic ways of working.

Having said that, the planned migration to e-building standards now features strongly within the continuous improvement plan. Verifiers are reported to have ‘bought into’
the potential benefits of the system by taking a longer term view and investing now for the future. In order to speed up working practices the local authority has installed new hardware and dual screens for staff, updated its document management system and is looking at further, bespoke training, for staff. It is also cutting back on the use of hard copy communications, with much more client communication now being conducted via email.
8. Conclusions and Forward Considerations

8.1 Conclusions

Resourcing to meet demand

Following the recession of the late 2000s, the gradual recovery of the construction sector appears to be placing increasing demand on building standards services across Scotland. This is evident from a 15% increase in total building warrant applications over the three years 2012-13 and 2014-15 and a 19% increase in the number of building warrants granted between 2013-14 and 2014-15.

Rising demand needs to be met through more efficient processes and/or higher levels of resourcing, but current obstacles include local authority budget pressures and the fact surplus fee income from building standards tends not to be ring-fenced within the service. Building standards services are therefore facing considerable resourcing pressures.

Stakeholders are generally of the view that verifiers are doing a good job under difficult circumstances and recognise the resourcing difficulties that local authorities face. However, while some believe that speed and quality of service has improved since the introduction of the performance framework, concerns remain that the quality of service still varies between local authorities, meaning there is work to do in pursuit of national consistency.

Meeting the considerations for appointment

Despite an absence of national criteria or minimum standards relating to the four considerations for appointment of building standards verifiers, there is general confidence and agreement that verifiers are suitably qualified, competent, impartial and accountable to the public.

Many services have enjoyed years of low staff turnover, although, as with all businesses, there is a need to ensure adequate succession planning is in place. To that end, local authorities take the development of building standards staff seriously and strongly encourage professional development through Chartered schemes such as those offered by the RICS, CABE or CIOB. The structure of building standards services also seems to ensure a robust system of verification, with inspectors and surveyors allocated casework using risk-based protocols, i.e. with more complex cases dealt with by more experienced and specialist personnel.

There is some concern among stakeholders that, as the regulations change or become more complex (for example relating to the energy performance of buildings), verifiers may not have sufficient expertise to deliver robust checks. Nevertheless it is
clear that they are able to access specialist external expertise from other local authorities or trusted third parties (e.g. fire engineering and structural engineering) should they need it.

The fact that building standards verification is currently placed in the hands of local authorities means the system is free from the risk of ‘profit before compliance’ – a virtue which cannot be understated. Furthermore, local authorities work in accordance with the strategic goal of the Scottish Government that has the public and communities at its heart – specifically to create a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth.

**Professional expertise and technical processes**

The time taken to grant building warrants increased between 2013-14 and 2014-15 which is contrary to the objective of KPO1 and indicates a possible continuing trend. The main reported causes include rising application volumes and time taken by third parties (e.g. agents) outside local authority control. As a result of local authorities highlighting such concerns, the Building Standards Division (BSD) issued a new optional reporting mechanism from April 2014 so that local authorities could isolate the time taken purely by the verifier. It is unfortunate that the majority have been unable to supply this information. Verifiers typically put this down to inadequate IT or insufficient admin support to pull this information together.

The introduction of Construction Compliance Notification Plans (CCNPs) is generally viewed favourably by local authorities to support a risk-based approach to Reasonable Inquiry as part of KPO2. However, the procedure regulations require that customers notify verifiers when construction work commences, which is not always taking place. Furthermore there are inconsistencies between local authorities concerning whether or not the CCNP is considered ‘fully achieved’ as a result, which means that data reported under KPO2 may not be wholly consistent and reliable.

In an attempt to tackle this problem, the BSD introduced optional additional reporting from April 2014 which invited local authorities to provide a breakdown of CCNPs in terms of being fully achieved by the Relevant Person (i.e. the person or developer responsible for complying with the building regulations), the verifier, and both parties combined. As with KPO1, it is unfortunate that only a small number of local authorities are supplying this information.

The percentage of CCNPs ‘fully achieved’ for accepted completion certificates dropped from 61% in 2013-14 to 54% in 2014-15. Whilst on the surface this might be considered a decline in performance, measurement of CCNP achievement alone is arguably not sufficient for determining whether the ‘quality’ of assessment and compliance has in fact improved or declined.

The results from those local authorities providing CCNP breakdowns reveal that, in almost all cases (97-99%), CCNPs are being fully achieved by the verifier. Less than three quarters by comparison are fully achieved by the Relevant Person. This
highlights once again that local authority performance may be adversely affected by matters outside of their immediate control, but over which they could probably have greater influence.

**Quality customer experience**

With respect to KPO3 (without Customer Agreements) the total number of first reports issued by local authorities appears to be growing year-on-year. Once again, the growing number of applications is a casual factor. The proportion of first reports issued within 20 days has remained fairly constant over the past two years, at or around 90%. Use of Customer Agreements decreased between 2013-14 and 2014-15, however there was an increase in their use for high value work, suggesting that local authorities are negotiating bespoke arrangements for more complex builds in order to manage customer expectations and ensure reports are not rushed to try to meet a 20-day target.

Local authorities are increasingly building up accreditations such as Customer Service Excellence (CSE) which is now held by 11 out of 32 services. On the whole, verifiers are committed to providing the best possible service and many undertake a range of customer engagement activities, such as local surveys, to identify what they can do to better meet customer needs.

The national customer survey has now been run over two successive years and the findings show an overall dip in customer satisfaction across almost all headline measures between 2014 and 2015. Customer perceptions will inevitably be affected by factors such as their own level of understanding of the system, whether they believe verifiers are responsible for delays or problems when that might not be the case, and the actual decision made on their application which may not be what they would like to hear.

There is insufficient evidence to suggest that local authorities with CSE status have higher levels of customer satisfaction than other local authorities, but some are performing better than others in the national survey which provides an opportunity for lessons to be learned.

**Operational and financial efficiency**

In terms of fee income against staff costs, the vast majority of building standards services achieved a fee income surplus in 2014-15 and the first two quarters of 2015-16, suggesting they are successfully increasing income whilst maintaining an efficient service. However, where significant fee income surpluses (i.e. in excess of 150%) are coupled with comparatively slow turnaround times for building warrants and first reports, these services could be under-resourced.

There is a strong commitment to partnership working through Local Authority Building Standards Scotland (LABSS) and consortium groups, supported by knowledge-sharing and training facilitated by various stakeholders. Verifiers are
therefore drawing on the opportunities available to maintain up-to-date knowledge to perform their role.

While local authorities are generally committed to continuous improvement and completing Continuous Improvement Plans (CIPs) a minority feel that the template is too detailed and burdensome and is more valuable as a reporting tool for the BSD than as a genuine local aid to improvement. Across other areas of the framework, most (but not all) services appear to hold up-to-date national customer charters, or at least these are not published online. The same is the case for balanced scorecards.

**Impact of the national performance framework**

On the whole, the performance framework has been successful in enabling performance to be measured nationally for the first time, initiating a shift towards greater national consistency of service, increasing customer focus and providing a mechanism for pinpointing where improvements need to be made at national, consortium and local levels. However, performance levels are highly variable across the 32 local authorities, with some performing exceptionally well, others just above or below average, and some substantially under-performing against some or all of the KPOs.

In summary, whilst there has been substantial progress and investment in delivering a high quality and customer-focused building standards service since the last re-appointment of local authorities in 2011, there is still work to do to create the conditions for strong performance across all 32 Councils.

Several local authorities feel that the quarterly reporting arrangements are onerous and there is evidence to suggest that the KPOs should now be reviewed and updated as part of a general evolution of the service and given that certain aspects (such as response times) are now ingrained within the working culture and operations.

The move towards e-building standards (due to be launched in the summer of 2016) is highly anticipated and local authorities are undertaking a great deal of work and investing heavily in new equipment and resources – in some cases costing several hundred thousand pounds. Based on the views of verifiers it is highly likely that e-building standards will improve efficiency, flexibility, consistency and response times, in turn contributing to increased customer satisfaction.
8.2 Forward considerations

1. Local authorities should access and use national and local performance results to support regular benchmarking and continuous improvement. This information could also support discussions with Council leaders, for example to make the case for additional recruitment or retain a greater proportion of surplus fee income within the service. Justifications for this might include:

   a. Rising customer demand and verifier workloads;
   b. The need to preserve quality of assessments and inspections to ensure safe and compliant buildings; and
   c. The need to protect quality customer service.

2. Local authorities should continue to work in close partnership through LABSS and consortium groups in order to share knowledge, best practice and work towards greater consistency in interpretation and verification activities. Links should also continue to be developed and strengthened between local authorities and other stakeholders to ensure that:

   a. Verifiers' technical knowledge is kept up-to-date; and
   b. Access to specialist expertise can be obtained as quickly as possible when needed.

3. A review of the national performance framework should be undertaken to determine where changes need to be made, including to specific KPOs. In particular, consideration could be given to the following:

   a. Moving away from ‘year on year improvement’ measures in favour of defined performance targets or benchmarks for what ‘good’ looks like;
   b. Rating/ranking local authority performance based on the extent to which they fall below or exceed these targets/benchmarks;
   c. Rewording certain KPOs to make the practical objectives clear, for example the title of KPO3 is broad in nature and does not reference the main measure of issuing first reports within a set timescale;
   d. Updating KPO7 to refer to partnership working rather than a ‘National Forum’, the latter of which has never been formally established;
   e. Introducing new KPOs that help to measure customer understanding of the system, quality of inspections and/or staff development;
   f. Making all data returns mandatory (i.e. rather than some being optional) to ensure national consistency in reporting;
g. Ensuring that all local authorities are committed to providing the necessary data as part of performance returns, including sharing best practice as appropriate.

4. Those local authorities currently providing the additional breakdowns for KPOs 1 and 2 could share with others how they have achieved this (i.e. given the IT difficulties reportedly being faced). A collective and concerted could then be made to report these breakdowns in a consistent way, which will in turn should ensure the data are robust and reliable.\(^{16}\)

5. A national solution should be reached as to how local authorities treat and report CCNP achievement where notification of the start of work is not received from the Relevant Person. Where there is a consensus view that a start of work notice does not have sufficient bearing on the inspection regime, this could be amended within the regulations. Where there is a consensus view that a start of work notice should remain a requirement, options might include:

   a. Putting in place some form of customer penalty for a failure to notify; and/or
   
   b. Improving awareness among applicants and agents around the requirement to notify and why this is important.

6. Taking into account the increasing pressure placed on local authorities as application volumes increase, a less frequent reporting system might be helpful, for example six-monthly rather than quarterly.

7. With respect to the considerations for appointment of verifiers, as set out in the building regulations, it might be helpful to research and develop national criteria or ‘Standards’ for ‘qualifications’ and ‘competence’. This would help to support national consistency. One such option might be to research and develop a national template job description and person specification for the role of verifier/surveyor/inspector (as appropriate).

8. While fees for building standards services are currently set out in legislation, there may be merit in introducing a fee-related consequence for local authorities that perform below a certain benchmark.

9. The main arguments for local authorities to continue in their role as building standards verifiers are as follows:

   a. Significant time and monetary investment has been made since the last reappointment, particularly in terms of delivering a professional and competent service, making use of local knowledge and established contacts, staff reorganisation and new IT capabilities;

\(^{16}\) This consideration is subject to KPOs 1 and continuing in their existing form.
b. As non-profit making organisations, verification by local authorities is not put at risk due to any competing commercial pressures;

c. More time is arguably needed to measure and determine the impact of a more risk-based approach to Reasonable Inquiry; and

d. The performance framework is helping to drive forward national consistency of service, with the potential for greater efficiencies through the rollout of the forthcoming e-building standards system.

10. Where consideration is given to introducing alternative or additional building standards verifiers across Scotland, this should be subject to research that explores:

   a. The likely implications for customers and local authorities;

   b. The potential impact on the quality of verification; and

   c. How to ensure that the four considerations for appointment are met on an on-going basis.
Figure 22 presents a breakdown of respondents to the online Newsflash survey by type/perspective.

**Figure 22 Breakdown of Newsflash survey respondents**

- Local Authority Verifier: 62
- Agent/Architect/Designer: 59
- Individual (home owner/tenant): 37
- Engineer: 16
- Other: 9
- Local Authority (Other): 8
- Professional Body/Trade Association: 7
- Developer/Contractor (mainly domestic): 6
- House builder: 5
- Housing Association: 4
- Certifier of Design: 3
- Certifier of Construction: 3
- Developer/Contractor (mainly non-domestic): 2