

**BUILDING STANDARDS DIVISION**

**BUILDING STANDARDS  
VERIFICATION PERFORMANCE  
REPORT**

**2013-14**

**(including implementation period 2012-13)**

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**Building Standards Division**  
**15 July 2015**

## 1. INTRODUCTION

This report has been produced by the Building Standards Division of the Scottish Government and provides a review of the introduction of the Building Standards Verification Performance Framework in 2012 and the reporting for 2013-14. It looks at the implementation of the individual aspects of the framework and on-going development. It also considers progress by local authorities and key findings from the local authority returns for the first complete reporting period covering April 2013 to March 2014.

## 2. BACKGROUND

The building standards system in Scotland operates under the Building (Scotland) Act 2003. This Act and supporting legislation came into force on 1 May 2005 and carried forward the general principle of a pre-emptive system as operated under the previous Building (Scotland) Act 1959. One of the key initiatives of the 2003 Act was to introduce the roles of Verifiers, Certifiers of Design or Construction and by doing so, clarify the responsibilities for local authorities. The remit of the system is to protect the public interest by setting the standards to be met when building or a conversion takes place, and providing a system for independent checking.

Verification is the independent checking of projects against building regulations during the design phase (leading to granting the building warrant) and the construction phase (leading to acceptance of the completion certificate). Certification is the recognition of suitably qualified and experienced persons as competent to self-certify specific aspects of developments at design or construction stage as building regulation compliant. Local authorities (LAs) are responsible for the enforcement role under the 2003 Act which includes building regulations and defective and dangerous buildings.

Under the 1959 Act, LAs were responsible for the independent checking of projects and there was limited certification for building structures and electrical work. The 2003 Act provides for Scottish Ministers to appoint Verifiers and approve Certification Schemes.

In preparation for the 2003 Act coming into force, Scottish Ministers appointed all 32 LAs as verifiers for their own geographical area, for a period of 6 years up to 2011. A requirement of the appointment was for LA verifiers to submit an annual "balanced scorecard" to the Building Standards Division (BSD) of the Scottish Government. During the appointment period, BSD undertook audits of all LAs based around the balanced scorecards.

Scottish Ministers re-appointed LAs as verifiers in May 2011 for a further 6 year period. Importantly this was on the understanding that a new performance framework be put in place to improve the quality, compliance, consistency and predictability of verification activities.

Building Standards Services had been operating a balanced scorecard approach since 2005. The new performance framework built on the same principles and

achievements with a further drive for better compliance during the construction phase.

To help take this forward BSD commissioned Pye Tait Consulting Ltd to carry out research in 2011. Their report “Development of Key Performance Indicators to support the building standards verification system” was published in January 2012.

The new framework was developed in partnership between BSD and Local Authority Building Standards Scotland (LABSS) and considered the views of all 32 LAs and the construction industry. The framework addresses a wide range of actions and behaviours which, between them, demonstrate a strong customer-focused service.

The performance framework covers 3 broad perspectives –

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

There are two additional cross-cutting themes of “Public Interest” and “Continuous Improvement”. These span all three perspectives in relation to building standards verification strategy, operational delivery, and internal and external relationships.

The framework is supported by a range of key performance outcomes (KPOs) which are summarised below.

<b>Professional Expertise &amp; Technical Processes</b>	
KPO1	Year-on-year reduction in the average time taken to grant a building warrant
KPO2	Increased quality of assessment and compliance during the construction processes

<b>Quality Customer Experience</b>	
KPO3	Increased commitment to meeting customer expectations
KPO4	Adherence to service commitments of a National Customer Charter
KPO5	Improvement of the customer experience

<b>Operational &amp; Financial Efficiency</b>	
KPO6	Financial governance
KPO7	Improved partnership working underpinned by engagement with a National Forum
KPO8	Development of and adherence to objectives outlined in balanced scorecard
KPO9	Commitment to continuous improvement

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

- KPO1, 2, 3 and 6 – LAs provide quarterly data returns
- KPO4 and 5 – LAs report as part of the continuous improvement plan
- KPO7 – National Forum meetings
- KPO8 – Balance Scorecards
- KPO9 – Continuous Improvement Plans

Further details are in the Building Standards Verification – Key Performance Outcomes Handbook published in April 2012 (updated August 2014), which is available at <http://www.scotland.gov.uk/Topics/Built-Environment/Building/Building-standards/verification/2011-17>.

The Pye Tait Consulting Ltd research “Development of Key Performance Indicators to support the building standards verification system”, January 2012 is available at <http://www.gov.scot/Topics/Built-Environment/Building/Building-standards/publications/pubresearch/researchverification>.



### 3. IMPLEMENTATION OVERVIEW

The performance framework was launched in May 2012 with quarterly reporting starting for the period October to December 2012 (Q3). During development it was acknowledged that LAs would need to adapt their back-office IT management systems and office procedures, and therefore would be at different stages of readiness for reporting at implementation.

Therefore the first two reporting quarters (Oct-Dec 2012; Jan-Mar 2013) were seen as an integration and testing period. This was reflected in gaps in the data reporting from some LAs due to them still having to fully update their systems.

The framework was developed collaboratively between central and local government and adopted by all LAs. The gaps in reporting in 2012-13 have been generally addressed. Since then, the reporting for the first full year 2013-14 has been comprehensive. However there were delays in some LAs submitting their returns following the end of the individual quarter. Additionally in 2013-14, one LA could not provide a full breakdown of their total figures for KPO1 and KPO3, or totals for KPO2, and this has been reflected in the relevant sections of this report.

#### 3.1 Reporting format and data fields (KPO1, KPO2, KPO3 and KPO6)

There were some early difficulties with the formatting of the spreadsheet templates for KPOs 1, 2, 3 and 6 which were subsequently resolved. This was mainly due to the use of % fields rather than using the core data and embedded formulae. There were also cases of LAs, when submitting their Q4 return, revising their earlier Q3 return.

As a result BSD commissioned Pye Tait Consulting Ltd to consider the issues raised on the data reporting. Their report was published in June 2013 and is available at <http://www.gov.scot/Topics/Built-Environment/Building/Building-standards/publications/pubresearch/researchverification>.

At the same time Pye Tait Consulting Ltd undertook a review of the continuous improvement plan submissions which is also included in their report. This aspect is covered later in this report under Balanced Scorecard and Continuous Improvement Plans.

The use of % fields has since been reviewed by BSD and LABSS and the returns for 2014-15 onwards use core data with the percentages calculated in the reports.

A key development under the framework was the introduction of Construction Compliance and Notification Plans (CCNPs). This risk based approach to inspection during the construction was developed by LABSS and introduced for domestic buildings from 1 October 2012 and for non-domestic buildings from 1 October 2013. Further details are set out under KPO2. LABSS have published "Verification During Construction Handbooks" for domestic and non-domestic buildings which are available at <http://www.gov.scot/Topics/Built-Environment/Building/Building-standards/verification/2011-17>.

Initially, reporting under KPO1, 2 and 3 of the framework was broken down into work categories (5 no.), and for each category, separate values of work (5 no.). This was to provide a better understanding of activity and performance across all types of building warrant projects.

The work categories and value bands are:

Work Categories		Value of Work
Domestic (New Build)	MULTILOT	0 - £10,000
Domestic (New Build)	OTHER	£10,001 - £50,000
Domestic (Existing Building)	EXTENSION	£50,001 - £250,000
Domestic (Existing Building)	ALTERATION	£250,001 - £1,000,000
Non-Domestic	ALL	£1,000,01 and above

During development of the CCNPs for non-domestic buildings, a further breakdown of non-domestic work was identified (to Residential; Assembly; Commercial; Industrial; Storage and Agricultural). This breakdown will be rolled out to KPO1, 2 and 3 for reporting year 2015-16 and provides a comprehensive view of performance across the different work and value categories.

Work Categories – Domestic	
Domestic (New Build)	MULTILOT
Domestic (New Build)	OTHER
Domestic (Existing Building)	EXTENSION
Domestic (Existing Building)	ALTERATION
Work Categories – Non-Domestic	
Non-Domestic	RESIDENTIAL
Non-Domestic	ASSEMBLY
Non-Domestic	COMMERCIAL
Non-Domestic	INDUSTRIAL
Non-Domestic	STORAGE/AGRICULTURAL

### 3.2 New data fields

During the review it was noted that KPO1 and KPO2 provide an overview of overall performance. BSD and LABSS agreed these could be improved if the performance breakdown of the main bodies was included i.e. the verifier and, for KPO2, also the relevant person. Therefore the following additional fields were introduced for 2014-15 onwards to better reflect individual aspects of overall performance. These have been introduced as optional fields to take account of the need for some LAs to develop their back-office reporting processes.

- KPO1 – Additional optional field introduced to provide breakdown of average time taken by “the verifier” to grant a building warrant
- KPO2 – Additional optional field introduced to provide breakdown of numbers of CCNPs successfully achieved by “the relevant person”
- KPO2 – Additional optional field introduced to provide breakdown of numbers of CCNPs successfully achieved by “the verifier”

### **3.3 Reporting methodology**

LAs have also been sharing their quarterly data returns with LABSS. A review by BSD and LABSS at the end of 2012-13 (last two quarters only) showed some anomalies between the two sets. These were mainly due to data control, such as the transfer of data and the use of spreadsheets, and the notification by LAs of changes they made to their previously submitted data returns. Similar anomalies were also identified at the end of the 2013-14 reporting year.

Since then BSD has worked with Scottish Government colleagues to develop a web platform for the Building Standards Verification Performance Returns. The web platform has been based on existing data collection systems already successfully used by LAs to submit returns to SG. The on-line system has been developed in conjunction with LABSS and importantly, in partnership with a number of early adopter LAs.

The on-line system has been introduced for reporting from 1 April 2014 and provides a single point for data submission. It includes validation checks, allows automated data transfer and provides reporting on a single data set. Feedback from LAs after the first quarter return for 2014-15 has been very positive and the platform already shows significant improvements for both LAs and BSD over the previous method.

### **3.4 Annual return**

The Scottish Government has been collecting statistical building standards returns from LAs annually since 2009. These include 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. Also details on LA enforcement under sections 25-30 of the Building (Scotland) Act 2003.

With the introduction of the performance framework there was a need to align both reporting regimes, and two areas were identified. Firstly, the financial governance data sets differed. The annual return considered the overall cost of verification by a LA. However this has been seen to be affected by the wide differences in the non-staff element between LAs, therefore making it difficult to compare LAs. This was considered during development of the performance framework and as a result KPO6 only covers the staff aspect of verification. Secondly, the returns had different reporting frequencies and did not allow the quarterly performance data to be viewed in the context of the annual statistical data.

Therefore it was agreed to continue with just the KPO6 financial reporting for staff costs and to integrate the annual return data into the quarterly performance reporting. To facilitate this, the data fields have been incorporated in the on-line web platform for reporting from 1 April 2014, and the last annual return was for reporting year 2013-14.

The building standards system is pre-emptive and the relevant permissions are needed before work, or occupation, or use can happen. Staged building warrants are an important part of this as they allow larger projects to commence on site before



the whole project has been designed. As a result optional statistical reporting has been introduced from 1 April 2014 on the numbers of building warrant applications and any amendments that use the staged building warrant approach.

### **3.5 Balanced Scorecard and Continuous Improvement Plan (KPO8 and KPO9)**

The balanced scorecard has been an integral part of verifier performance since 2005 and LAs have been publishing their balanced scorecard on their website since 2013. The updated format of the scorecard and new template for the continuous improvement plan (CIP) introduced under the new performance framework have simplified the approach and increased the focus on continuous improvement. However it has become clear that the scorecard is a more static document, which is now part of the wider set of LA information.

BSD commissioned Pye Tait Consulting Ltd to consider the issues raised on the CIPs. Their report was published in June 2013 and is available at <http://www.gov.scot/Topics/Built-Environment/Building/Building-standards/verification/2011-17>.

The recommendations have been further developed in conjunction with LABSS with enhancements made to both the CIP methodology and reporting. From 1 April 2014 the operational and reporting aspects of the CIP have been separated. This provides for easier and more consistent quarterly reporting by LAs by using a quarterly Summary of CIP which has been integrated into section 4 of the balanced scorecard. LAs are also now expected to publish on-line their quarterly Summary of CIP alongside their balanced scorecards.

## 4. PROFESSIONAL EXPERTISE & TECHNICAL PROCESSES

This perspective includes two outcomes:

- KPO1 Year-on-year reduction in the average time taken to grant a building warrant
- KPO2 Increased commitment to meeting customer expectations

### 4.1 Key performance outcome 1 (KPO1)

<b>KPO1</b>	<b>Year-on-year reduction in the average time taken to grant a building warrant</b>
<b>Purpose</b>	The intention of this KPO is to minimise the time taken for customers to obtain a building warrant whilst importantly, maintaining the appropriate levels of competent plan assessment.

#### 4.1.1 Reporting

The trigger for KPO1 is the issue of a building warrant (or amendment to warrant). Reporting under the performance framework is restricted to applications for building warrants submitted on or after 1 October 2012. Therefore the returns for 2012-13, and to some extent 2013-14, do not present a complete record as the applications already in the system at implementation do not feature. However with time the existing applications will be determined and the full picture will be presented. This will be the case for reporting year 2014-15. As such, figures for 2012-13 are included for illustration only.

<b>Highlights</b>	<b>2013-14</b>
Total number of building warrants granted (all)	33,785*
Range across LAs	145-4,153
Average time from application to grant a building warrant	47.1 days
Range across LAs	22.8-64.4 days
Total number of building warrants granted (domestic)	26,391*
Range across LAs	110-2,460
Average time from application to grant a building warrant	44.6 days
Range across LAs	20.3-64.6 days
Total number of building warrants granted (non-domestic)	7,394*
Range across LAs	35-1,003
Average time from application to grant a building warrant	48.7 days
Range across LAs	28.2-82.4 days

\*Based on complete returns from 31 LAs. One LA could not provide a breakdown of their figures, although the LA could provide their totals (annual total for 32 LAs was 37,938).

- The number of building warrants granted and the average time to be granted in working days increased through 2012-13 due to the applications already in

the system not being reported.

- The number of building warrants granted in 2013-14 ranged between approximately 8,000 and 9,000 per quarter.
- The average time to grant a building warrant increased through 2013-14 from 39.6 days (Q1) to 52.9 days (Q4).
- Building warrants for domestic buildings generally took less time to be granted than those for non-domestic buildings.
- Building warrants for domestic alterations took less time to be granted than those for domestic extensions, and for new housing.
- Building warrants for low value work took less time to be granted than those for high value work.
- Approximately 81% of building warrants granted were for domestic buildings.
- Approximately 81% of building warrants granted were for work up to £50,000 in value, and were granted in an average of 40 days.

#### **4.1.2 Discussion**

The intention of this KPO is to minimise the time taken for customers to obtain a building warrant whilst importantly, maintaining the appropriate levels of competent plan assessment. KPO1 covers the design phase of the 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. There are no specific targets for this outcome because the overall time is made up of the time taken by the LA 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.

KPO1 is supported by KPO3 which looks at a particular aspect of the LA role, the time taken to issue the first report. This may sometimes be a significant part of the overall time to grant a building warrant but there are other factors.

The performance framework recognises the benefits of “Customer Agreements” between local authority verifiers and applicants. A Customer Agreement for a project will be case specific and could be for complex projects or urgent projects. It should include an agreed first report target, and is likely to cover a range of other aspects from pre-application discussions through to completion on site.

Also in support of KPO1 the performance framework under KPO3 introduced an “escape route” for any customer to report any dissatisfaction with the performance of a local authority to provide their first report.

Reporting under the performance framework up to 2013-14 is broken down into work categories (4 domestic and 1 non-domestic) and value of work (5 value bands). For 2014-15 onwards non-domestic has been broken down into 5 work types.

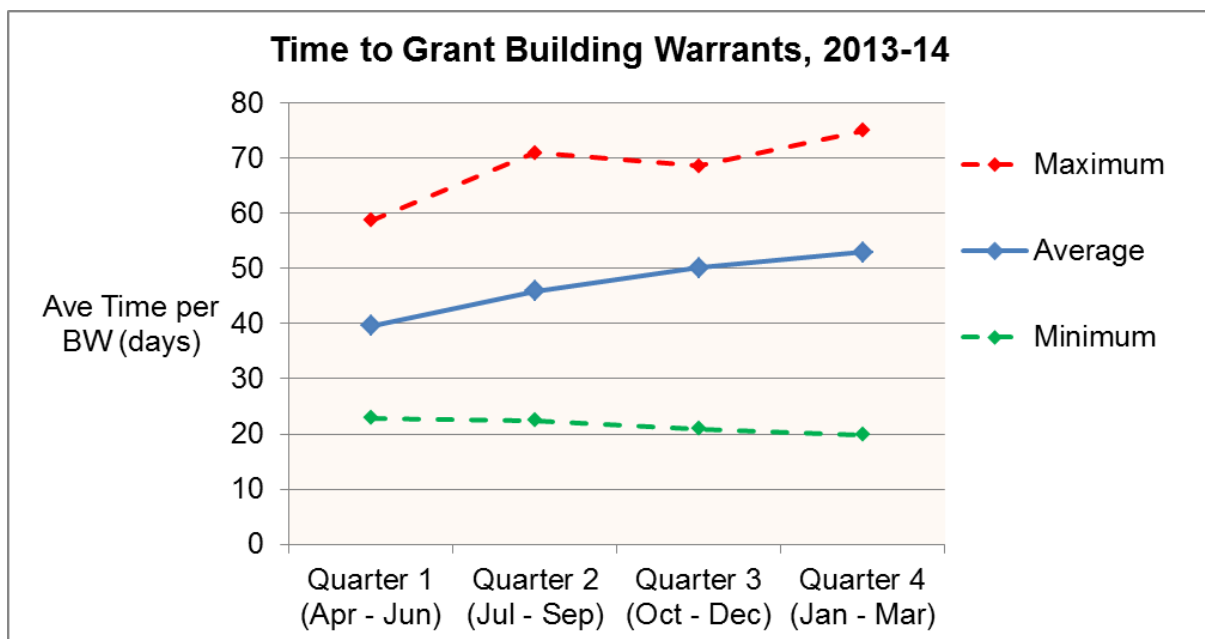
2012-13	No. of BWs				No. of BWs	Average time to grant BW (working days)
			Q3	Q4		
<b>Building Category</b>						
DOMESTIC - MULTILOT	-	-	116	213	329	29
DOMESTIC - OTHER	-	-	129	317	446	36
DOMESTIC - EXTENSION	-	-	744	1,588	2,332	35
DOMESTIC - ALTERATION	-	-	1,628	2,407	4,035	21
<b>DOMESTIC - ALL</b>	-	-	<b>2,617</b>	<b>4,525</b>	<b>7,142</b>	<b>27</b>
<b>NON-DOMESTIC - ALL</b>	-	-	<b>714</b>	<b>1,205</b>	<b>1,919</b>	<b>27</b>
<b>TOTAL</b>	-	-	<b>3,331</b>	<b>5,730</b>	<b>9,061</b>	<b>27</b>
Value of work	£0 - £10,000				5,136	20
Value of work	£10,001 - £50,000				2,663	34
Value of work	£50,001 - £250,000				982	40
Value of work	£250,001 - £1,000,000				204	42
Value of work	£1,000,001 and above				76	40

2013-14	No. of BWs				No. of BWs	Average time to grant BW (working days)	Range across LAs (working days) (min. / max.)
	Q1	Q2	Q3	Q4			
<b>Building Category</b>							
DOMESTIC - MULTILOT	266	315	373	341	1,295	62.2	12-46
DOMESTIC - OTHER	584	696	608	591	2,479	64.9	35-107
DOMESTIC - EXTENSION	2,542	2,678	2,402	2,242	9,864	51.6	32-68
DOMESTIC - ALTERATION	3,067	3,222	3,217	3,247	12,753	33.5	12-63
<b>DOMESTIC - ALL</b>	<b>6,459</b>	<b>6,911</b>	<b>6,600</b>	<b>6,421</b>	<b>26,391</b>	<b>44.6</b>	<b>20-65</b>
<b>NON-DOMESTIC - ALL</b>	<b>1,809</b>	<b>1,902</b>	<b>1,739</b>	<b>1,944</b>	<b>7,394</b>	<b>48.7</b>	<b>28-82</b>
<b>TOTAL</b>	<b>8,268</b>	<b>8,813</b>	<b>8,339</b>	<b>8,365</b>	<b>33,785</b>	<b>47.1</b>	<b>22.8-64.4</b>
Value of work	£0 - £10,000				16,481	32.2	
Value of work	£10,001 - £50,000				10,886	52.6	
Value of work	£50,001 - £250,000				4,668	64.6	
Value of work	£250,001 - £1,000,000				1,232	73.9	
Value of work	£1,000,001 and above				518	81.0	

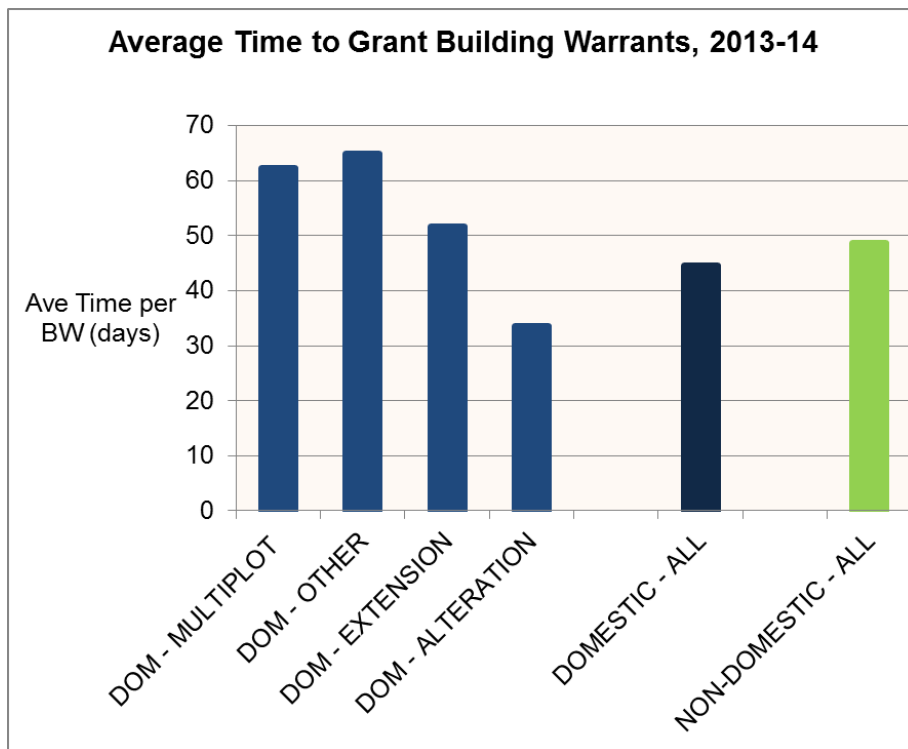
Notes to tables 1 and 2:

- Q1 (Apr-June); Q2 (Jul-Sep); Q3 (Oct-Dec); Q4 (Jan-March).
- Figures in Tables 1 and 2 for building warrants include amendments to building warrants.
- The figures in table 1 cover the initial 6 months implementation period and are for working days. They only include those building warrants granted that were applied for before 1 October 2012 and therefore do not provide a complete picture.
- For one LA some of the figures for Q3 of 2012-13 were outside the range of working days in the quarter. Therefore table 1 is based on the breakdown of figures from thirty LAs.
- One LA could not provide a breakdown by building category but could provide their overall total figure. Therefore table 2 is based on the breakdown of figures from 31 LAs. (Note: the total number of building warrants granted by all 32 LAs for 2013-14 was 37,938).

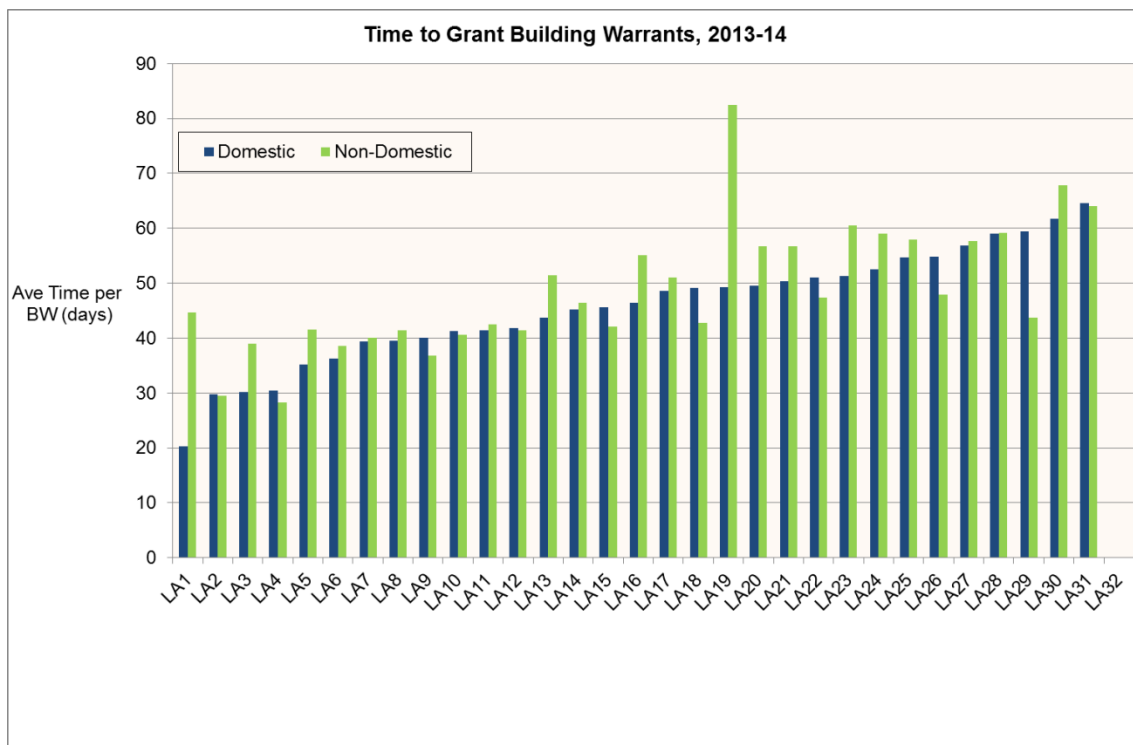
**Fig 1. Time taken to grant a building warrant – by quarter 2013-14**



**Fig 2. Time taken to grant a building warrant – by building category 2013-14**

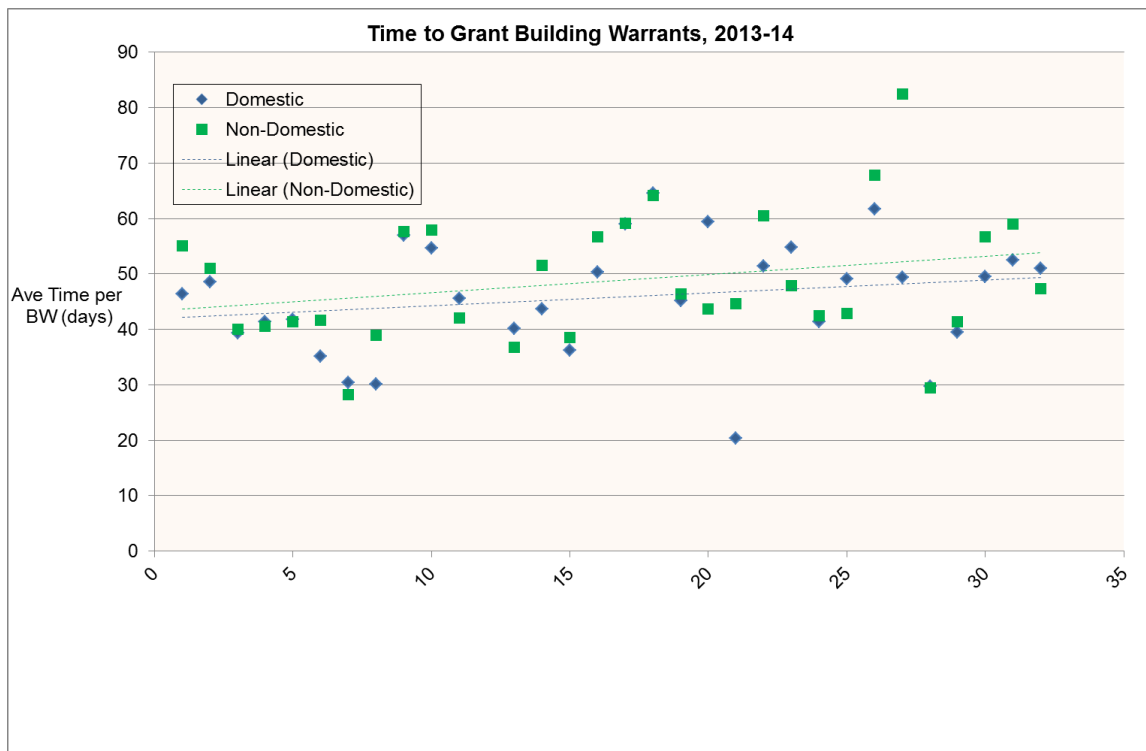


**Fig 3. Time taken to grant a building warrant – by local authority 2013-14**





**Fig 4. Time taken to grant a building warrant – by local authority 2013-14**



Notes to figures 1 to 4:

1. Building warrants include amendments to building warrants.
2. Quarter on quarter comparison compared to the Scotland average.
3. The average time taken for a building warrant has consistently increased quarter on quarter in 2013-14 from 39.6 in Q1 to 52.9 in Q4.
4. Data based on information from 31 LAs.

## 4.2 Key performance outcome 2 (KPO2)

<b>KPO2</b>	<b>Increased quality of compliance during the construction processes</b>
<b>Purpose</b>	The intention of this KPO is to promote quality and consistency of compliance assessment by undertaking timed and proportionate reasonable inquiries using a risk-based approach to inspection and other forms of assessment e.g. photographic evidence.

### 4.2.1 Reporting

The trigger for KPO2 is the acceptance of a completion certificate. Reporting under the performance framework is restricted to applications for building warrants submitted on or after 1 October 2012. Therefore the returns for 2012-13, and largely for 2013-14, do not present a complete record as the applications already in the system at implementation do not feature. However with time the existing building warrants will go through to completion and a fuller picture will be presented. This should be the case for reporting year 2014-15. As such, figures for 2012-13 are included for illustration only.

<b>Highlights</b>	<b>2013-14</b>
Total number of CCNPs issued (all)	8,806
Range across LAs	50-950
% of CCNPs fully achieved	60.5%
Range across LAs	11.9%-97.3%
Total number of CCNPs issued (domestic)	7,123*
Range across LAs	22-884
% of CCNPs fully achieved	61.3%
Range across LAs	11.6%-96.8%
Total number of CCNPs issued (non-domestic)	1,683*
Range across LAs	9-137
% of CCNPs fully achieved	57.1%
Range across LAs	14.3%-98%
Total number of CCNP's fully achieved	5,327*
Range across LAs	13-910
Total number of CCNP's fully achieved (domestic)	4,367*
Range across LAs	11-854
Total number of CCNP's fully achieved (non-domestic)	960*
Range across LAs	1-127
*Based on complete returns from 31 LAs.	

- The number of CCNPs issued increased through 2012-13 and 2013-14 due to the building warrants already in the system not being reported.
- The number of CCNPs issued in 2013-14 increased from 1,284 (Q1) to 3,070 (Q4) with annual total of 8,806.
- The % of CCNPs fully achieved for 2012-13 was 65%.
- The % of CCNPs fully achieved decreased through 2013-14 from 62% (Q1) to 57% (Q4) achieving 60.5% for the year.
- CCNPs for domestic buildings were better achieved than CCNPs for non-domestic buildings.
- CCNPs for low value work were better achieved than CCNPs for high value work.
- Approximately 81% of CCNPs were for domestic buildings.
- Approximately 81% of CCNPs were for work up to £50,000 in value.
- Feedback from LAs on the main reasons why CCNPs were not achieved was limited.
- Feedback from LAs on the main aspects of construction non-compliance that were found through reasonable inquiry was limited.

#### **4.2.2 Discussion**

The intention of this KPO is to promote quality and consistency of compliance assessment by undertaking timed 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 in protecting the public interest. The “relevant person” (RP), who is usually the building owner or the developer, is responsible for complying with building regulations. When the work is finished, the RP will sign off the work by submitting the completion certificate. The verifier, after carrying out reasonable enquiry, will decide whether to accept or reject the completion certificate. The performance framework introduced a risk based approach to verification inspection during construction which although focused on site inspection, may include other methods as determined by the LA.

A key aspect of this is the Construction Compliance and Notification Plan (CCNP). The LA will issue a CCNP with the building warrant that sets out the notifications required by the RP and inspections that the LA intend to carry out. This requires the RP to notify the verifier at the necessary stages of work. This will enhance the likelihood of compliance by assisting the verifier to carry out their inspections as work progresses.

The percentage of CCNPs fully achieved varies widely across LAs and should be viewed in the context of what factors affect the percentage achievement rate. The wide range may suggest differing levels of notifications and inspections between individual LAs, or suggest LAs measure achievement differently.

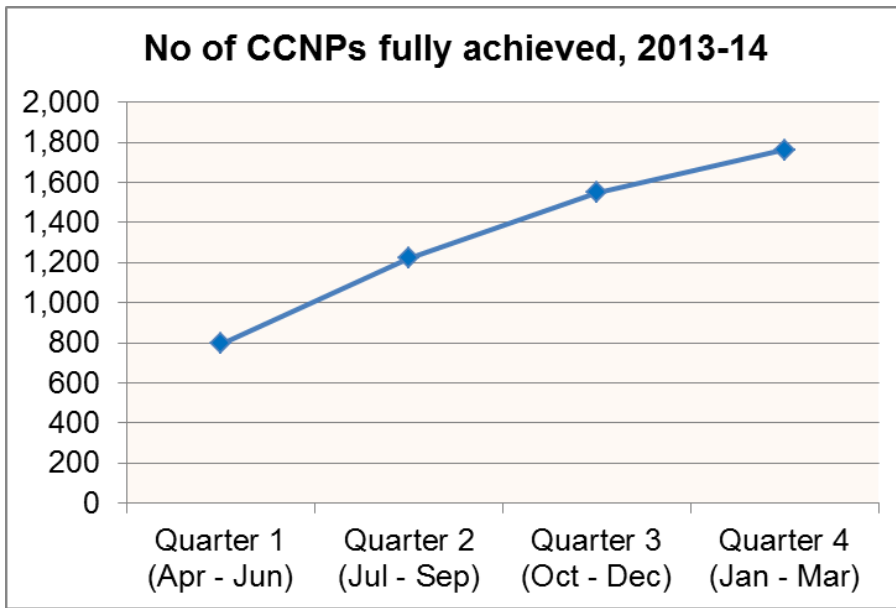
2012-13	No. of CCNPs for "accepted" completion certificates				Total No. of CCNPs	% of CCNPs fully achieved for "accepted" completion certificates	No. of CCNPs fully achieved
	-	-	Q3	Q4			
<b>Building Category</b>	-	-	Q3	Q4	Q3-Q4	Q3-Q4	Q3-Q4
DOMESTIC - MULTILOT	-	-	6	4	10	0%	0
DOMESTIC - OTHER	-	-	1	14	15	60%	9
DOMESTIC - EXTENSION	-	-	7	173	180	84%	151
DOMESTIC - ALTERATION	-	-	82	280	362	61%	220
<b>DOMESTIC - ALL</b>	-	-	<b>96</b>	<b>471</b>	<b>567</b>	<b>67%</b>	<b>380</b>
<b>NON-DOMESTIC - ALL</b>	-	-	<b>19</b>	<b>90</b>	<b>109</b>	<b>56%</b>	<b>61</b>
<b>TOTAL</b>	-	-	<b>115</b>	<b>561</b>	<b>676</b>	<b>65%</b>	<b>441</b>
Value of work	£0 - £10,000				473	70%	
Value of work	£10,001 - £50,000				143	51%	
Value of work	£50,001 - £250,000				57	65%	
Value of work	£250,001 - £1,000,000				2	50%	
Value of work	£1,000,001 and above				1	0%	

2013-14	No. of CCNPs for "accepted" completion certificates				Total No. of CCNPs	% of CCNPs fully achieved for "accepted" completion certificates	No. of CCNPs fully achieved
	Q1	Q2	Q3	Q4			
<b>Building Category</b>	Q1	Q2	Q3	Q4	Q1-Q4	Q1-Q4	Q1-Q4
DOMESTIC - MULTILOT	10	70	172	227	479	51%	245
DOMESTIC - OTHER	29	56	128	92	305	49%	148
DOMESTIC - EXTENSION	256	393	640	715	2,004	56%	1,122
DOMESTIC - ALTERATION	753	921	1,170	1,491	4,335	66%	2,852
<b>DOMESTIC - ALL</b>	<b>1,048</b>	<b>1,440</b>	<b>2,110</b>	<b>2,525</b>	<b>7,123</b>	<b>61%</b>	<b>4,367</b>
<b>NON-DOMESTIC - ALL</b>	<b>236</b>	<b>362</b>	<b>540</b>	<b>545</b>	<b>1,683</b>	<b>57%</b>	<b>960</b>
<b>TOTAL</b>	<b>1,284</b>	<b>1,802</b>	<b>2,650</b>	<b>3,070</b>	<b>8,806</b>	<b>60.5%</b>	<b>5,327</b>
Value of work	£0 - £10,000				4,242	66%	
Value of work	£10,001 - £50,000				2,878	57%	
Value of work	£50,001 - £250,000				931	54%	
Value of work	£250,001 - £1,000,000				391	60%	
Value of work	£1,000,001 and above				364	46%	

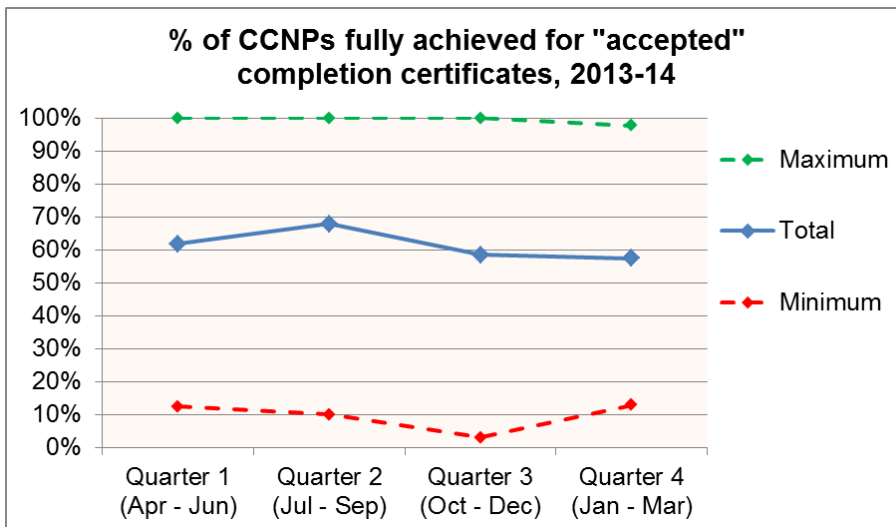
Notes to tables 3 and 4:

- Q1 (Apr-June); Q2 (Jul-Sep); Q3 (Oct-Dec); Q4 (Jan-March).
- The figures in table 3 cover the initial 6 months implementation period. They only include those CCNPs for building warrants that were applied for before 1 October 2012 and therefore do not provide a complete picture.
- One LA could not provide figures for KPO2, therefore tables 3 and 4 are based on the breakdown of figures from 31 LAs.

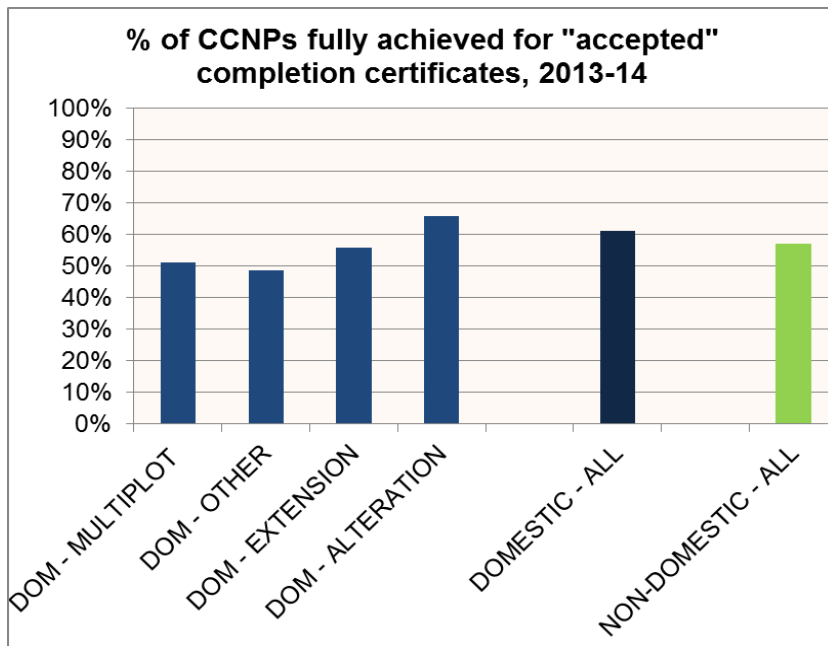
**Fig 5. Number of CCNPs fully achieved for "accepted" completion certificates – by quarter 2013-14**



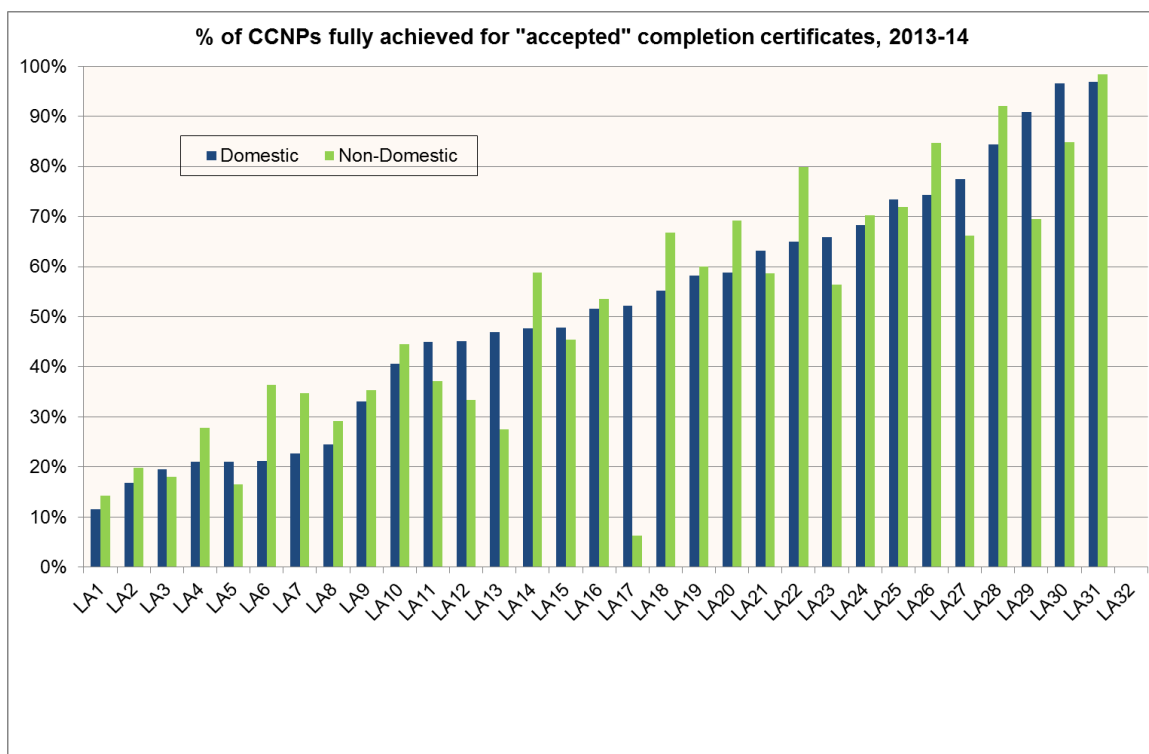
**Fig 6. % of CCNPs fully achieved – by quarter 2013-14**



**Fig 7. % of CCNPs fully achieved for "accepted" completion certificates – by building category 2013-14**



**Fig 8. % of CCNPs fully achieved for "accepted" completion certificates – by local authority 2013-14**



Notes to figures 5 to 8:

1. Quarter on quarter comparison compared to the Scotland average.
2. Data based on information from 31 LAs.



## 5. QUALITY CUSTOMER EXPERIENCE

This perspective includes three outcomes:

- KPO3 Commitment to meeting customer expectations (with and without customer agreements)
- KPO4 Adherence to service commitments of a National Customer Charter
- KPO5 Improvement of the customer experience

### 5.1 Key performance outcome 3 (KPO3)

<b>KPO3</b>	<b>Increased commitment to meeting customer expectations</b>
<b>Purpose</b>	The 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.

#### 5.1.1 Reporting

The trigger for KPO3 is the issue of a first report. Reporting under the performance framework is restricted to applications for building warrants submitted on or after 1 October 2012. Therefore the returns for 2012-13 only presented the full picture after the first quarter. As such, figures for 2012-13 are included for illustration only.

<b>Highlights – applications <u>without</u> Customer Agreements</b>	<b>2013-14</b>
Total number of first reports issued (all)	37,224*
time to issue first report within 20 days	92%
time to issue first report between 21 and 35 days	7%
time to issue first report between 36 days and 3 months	0%
Range across LAs for first reports issued within 20 days	67%-100%
Total number of first reports issued (domestic)	28,993*
time to issue first report within 20 days	93%
time to issue first report between 21 and 35 days	6%
time to issue first report between 36 days and 3 months	0%
Range across LAs for first reports issued within 20 days	73%-100%
Total number of first reports issued (non-domestic)	8,231*
time to issue first report within 20 days	89%
time to issue first report between 21 and 35 days	10%
time to issue first report between 36 days and 3 months	1%
Range across LAs for first reports issued within 20 days	49%-100%

<b>Highlights – applications <u>with</u> Customer Agreements</b>	<b>2013-14</b>
Total number of first reports issued (all)	414*
time to issue first report within CA agreed target*	92%
time to issue first report between CA target and 3 months	8%
Range of all LAs for first reports issued within CA agreed target	0%-100%
Total number of first reports issued (domestic)	311*
time to issue first report within CA agreed target	92%
time to issue first report between CA target and 3 months	8%
Range of all LAs for first reports issued within CA agreed target	0%-100%
Total number of first reports issued (non-domestic)	103*
time to issue first report within CA agreed target	94%
time to issue first report between CA target and 3 months	6%
Range of all LAs for first reports issued within CA agreed target	63%-100%

\*Based on complete returns from 31 LAs. One LA could not provide a breakdown of their figures, although the LA could provide their totals (the annual totals for those without/with customer agreements were 41,754 and 416 respectively).

- The number of first reports issued increased through 2012-13 due to the building warrant applications already in the system not being reported.
- All LAs provided totals however one LA could not provide breakdowns.
- The total number of first reports for applications for building warrants in 2013-14 was 42,170, of which 1% were for applications with customer agreements.
- Approximately 78% of first reports were for domestic buildings.
- Approximately 79% of first reports were for work up to £50,000 in value.
- The annual % of first reports issued within 20 days for 2013-14 was 94%.
- The % of first reports issued within 20 days for domestic buildings was higher than those for non-domestic buildings. This was reversed for those issued in 21 to 35 days.
- The % of first reports issued within 20 days for lower value work was higher than those for higher value work.
- Feedback on the main reasons why first reports were not achieved and commentary on any issues arising from Customer Agreements was limited.

#### Applications without CA

- The number of first reports issued in 2013-14 ranged between 8,817 (Q3) and 9,795 (Q2) per quarter.
- The % of first reports issued within 20 days in 2013-14 ranged between 91% (Q3) and 95% (Q1).

#### Applications with CA

- The number of first reports issued in 2013-14 ranged between 62 (Q2) and 2,160 (Q1).
- The % of first reports issued in 2013-14 within the agreed target ranged between 90% (Q2) and 97% (Q3).

### 5.1.2 Discussion

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 application.

The focus is on first reports issued in 20 or less working days, first reports issued between 20 and 35 days, and first reports issued between 35 days and the statutory backstop of 3 months (three months is the deemed refusal period set out in legislation).

The KPO considers performance on those applications where the LA and applicant have entered into a “Customer Agreement” (CA) differently. Instead of reporting against the 20 day figure, the focus is on the agreed target of days 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 fast tracking. It also focuses on the numbers of first reports issued between the agreed target and the statutory backstop of 3 months.

Another aspect of the KPO was to address customer concerns of working with a pre-emptive system and a fixed single service provider. KPO3 of the performance framework introduced an “escape route” for any customer to report dissatisfaction with the performance of a local authority to provide their first report.

When issues arise the customer should contact the Scottish Government Building Standards Division (BSD) at [buildingstandards@scotland.gsi.gov.uk](mailto:buildingstandards@scotland.gsi.gov.uk). BSD will contact the local authority concerned and inform Local Authority Building Standards Scotland (LABSS). The local authority will investigate the case and notify the customer when the first report will be issued. The first should be issued within the timescale, and the LA will keep BSD and LABSS informed at all stages. There were no cases of this type reported to BSD in 2012-13 and 2013-14.

There were 416 CAs entered into with 14 LAs in 2013-14. This represents 1% of building warrant applications and of these, 6 LAs dealt with 95% of the CAs. Approximately 75% of all CAs were for domestic buildings. The low number of CAs suggests that either applicants are unaware of them or they are generally satisfied with performance expectations.

For CA cases, 92% of first reports were issued within the agreed target, ranging from 0% to 100% across LAs (the 0% is a result of two LAs not meeting the CA target on 3 applications). Therefore 8% of first reports did not meet the agreed target which suggests that either the target was unrealistic or, if the circumstances changed, the target was not renegotiated.

On average the majority of first reports were issued within 20 working days, which suggests this is not a challenging target. Furthermore it does not accurately represent the LAs who issue first reports in significantly less than 20 days.

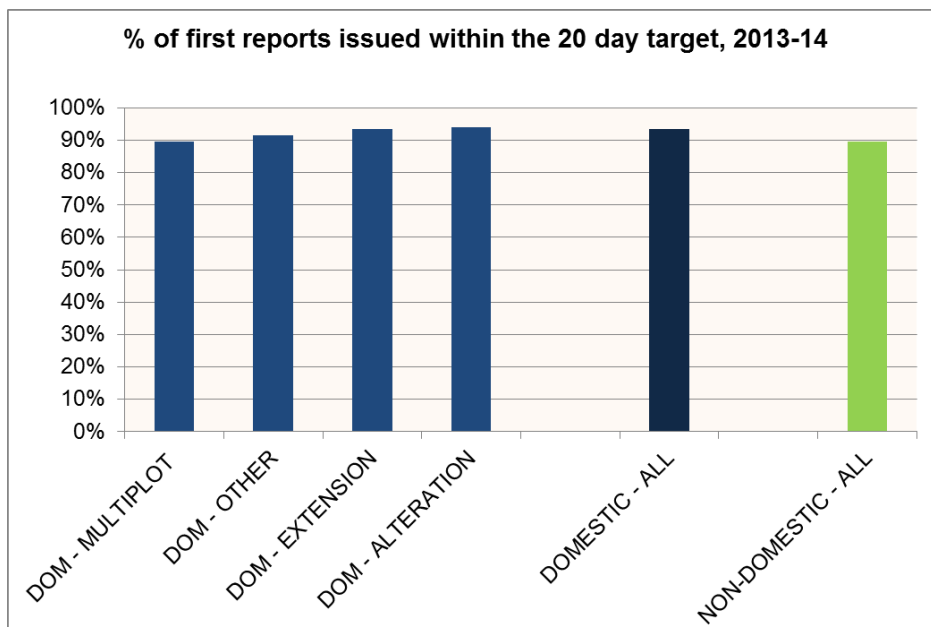
2012-13	No. of first reports issued				No. first report issued	No. & % (within 20 days)		No. & % (21 to 35 days)		No. & % (36 days to 3 months)	
			Q3	Q4		Q3-Q4	Q3-Q4		Q3-Q4		Q3-Q4
DOMESTIC - MULTILOT			231	305	536	502	94%	32	6%	2	0%
DOMESTIC - OTHER			412	583	995	949	95%	41	4%	1	0%
DOMESTIC - EXTENSION			1,726	2,115	3,841	3,686	96%	151	4%	3	0%
DOMESTIC - ALTERATION			2,586	2,839	5,425	5,287	97%	127	2%	4	0%
<b>DOMESTIC - ALL</b>			<b>4,955</b>	<b>5,842</b>	<b>10,797</b>	<b>10,425</b>	<b>97%</b>	<b>352</b>	<b>3%</b>	<b>10</b>	<b>0%</b>
<b>NON-DOMESTIC - ALL</b>			<b>1,482</b>	<b>1,847</b>	<b>3,329</b>	<b>3,164</b>	<b>95%</b>	<b>156</b>	<b>5%</b>	<b>7</b>	<b>0%</b>
<b>TOTAL</b>			<b>6,437</b>	<b>7,689</b>	<b>14,126</b>	<b>13,590</b>	<b>96%</b>	<b>508</b>	<b>4%</b>	<b>17</b>	<b>0%</b>
Value of work	£0 - £10,000				6,960	6,776	97%	174	3%	9	0%
Value of work	£10,001 - £50,000				4,453	4,278	96%	164	4%	5	0%
Value of work	£50,001 - £250,000				1,997	1,896	95%	99	5%	2	0%
Value of work	£250,001 - £1,000,000				467	226	88%	49	10%	0	0%
Value of work	£1,000,001 and above				249	226	91%	22	9%	1	0%

2013-14	No. of first reports issued				No. first report issued	No. & % (within 20 days)		No. & % (21 to 35 days)		No. & % (36 days to 3 months)	
	Q1	Q2	Q3	Q4		Q1-Q4	Q1-Q4		Q1-Q4		Q1-Q4
DOMESTIC - MULTILOT	344	356	440	386	1,526	1,576	89%	139	9%	19	1%
DOMESTIC - OTHER	668	776	636	633	2,713	2,471	91%	211	8%	20	1%
DOMESTIC - EXTENSION	2,949	2,948	2,355	2,518	10,770	10,049	93%	678	6%	37	0%
DOMESTIC - ALTERATION	3,340	3,565	3,509	3,570	13,984	13,144	94%	825	6%	15	0%
<b>DOMESTIC - ALL</b>	<b>7,301</b>	<b>7,645</b>	<b>6,940</b>	<b>7,107</b>	<b>28,993</b>	<b>27,021</b>	<b>93%</b>	<b>1,853</b>	<b>6%</b>	<b>91</b>	<b>0%</b>
<b>NON-DOMESTIC - ALL</b>	<b>2,100</b>	<b>2,150</b>	<b>1,877</b>	<b>2,104</b>	<b>8,231</b>	<b>7,364</b>	<b>89%</b>	<b>823</b>	<b>10%</b>	<b>44</b>	<b>1%</b>
<b>TOTAL</b>	<b>9,401</b>	<b>9,795</b>	<b>8,817</b>	<b>9,211</b>	<b>37,224</b>	<b>34,385</b>	<b>92%</b>	<b>2,676</b>	<b>7%</b>	<b>135</b>	<b>0%</b>
Value of work	£0 - £10,000				18,520	17,434	94%	1,048	6%	38	0%
Value of work	£10,001 - £50,000				11,665	10,726	92%	893	8%	46	0%
Value of work	£50,001 - £250,000				5,024	4,508	90%	480	9%	36	1%
Value of work	£250,001 - £1,000,000				1,410	1,215	86%	174	12%	9	1%
Value of work	£1,000,001 and above				605	502	83%	81	13%	6	1%

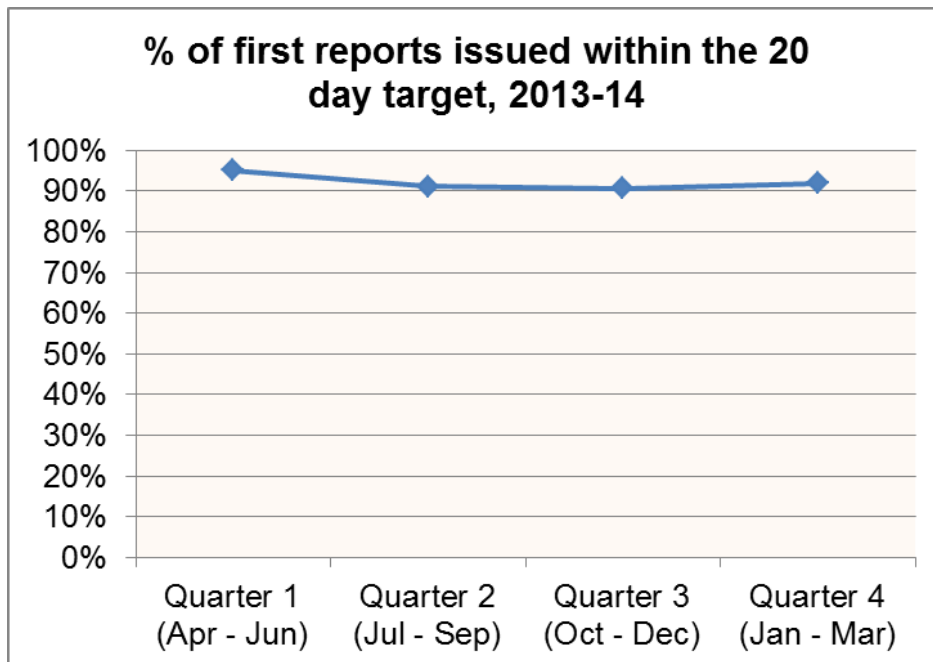
Notes to tables 5 and 6:

- Q1 (Apr-June); Q2 (Jul-Sep); Q3 (Oct-Dec); Q4 (Jan-March).
- The figures do not include applications with a Customer Agreement (CA).
- The figures in table 5 cover the initial 6 months implementation period and are for working days.
- They only include those first reports for building warrants that were applied for before 1 October 2012 and therefore do not provide a complete picture.
- One LA could not provide a breakdown by building category but could provide their overall total figure. Therefore tables 5 and 6 are based on the breakdown of figures from 31 LAs. (Note: the total number of first reports issued by all 32 LAs for 2013-14 was 41,754).

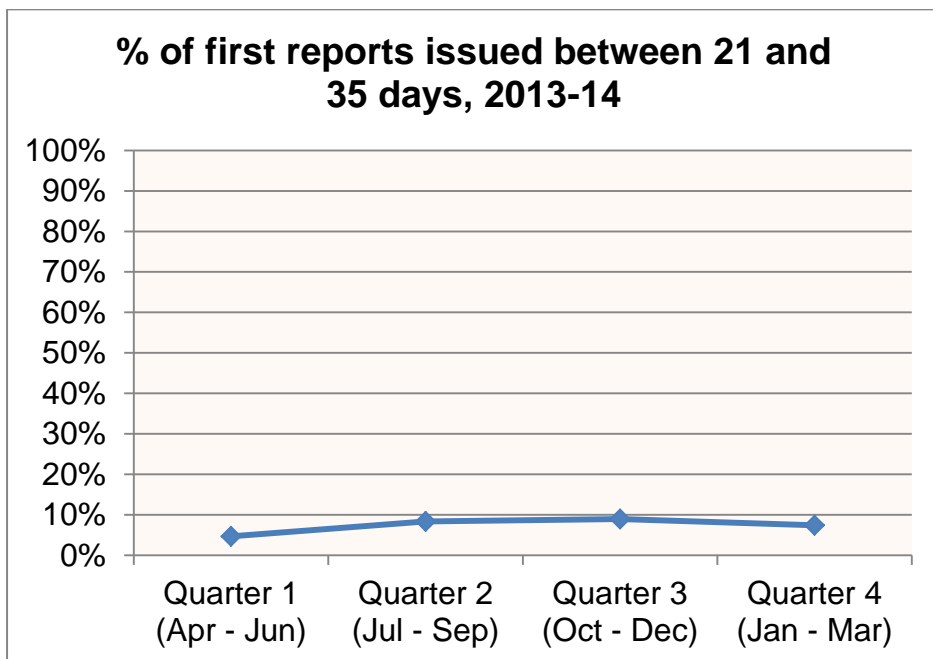
**Fig 9. Percentage of first reports issued (without CA) – 20 day target by building type – quarter by quarter 2013-14**



**Fig 10. Percentage of first reports issued (without CA) – 20 day target by quarter 2013-14**

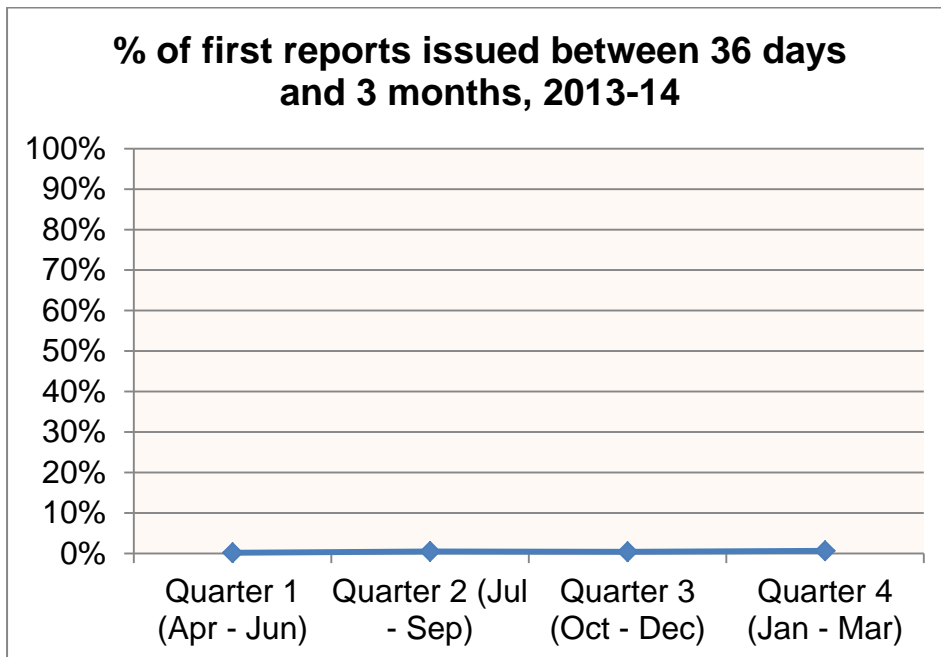


**Fig 11. Percentage of first reports issued (without CA) – 21 to 35 day by quarter 2013-14**

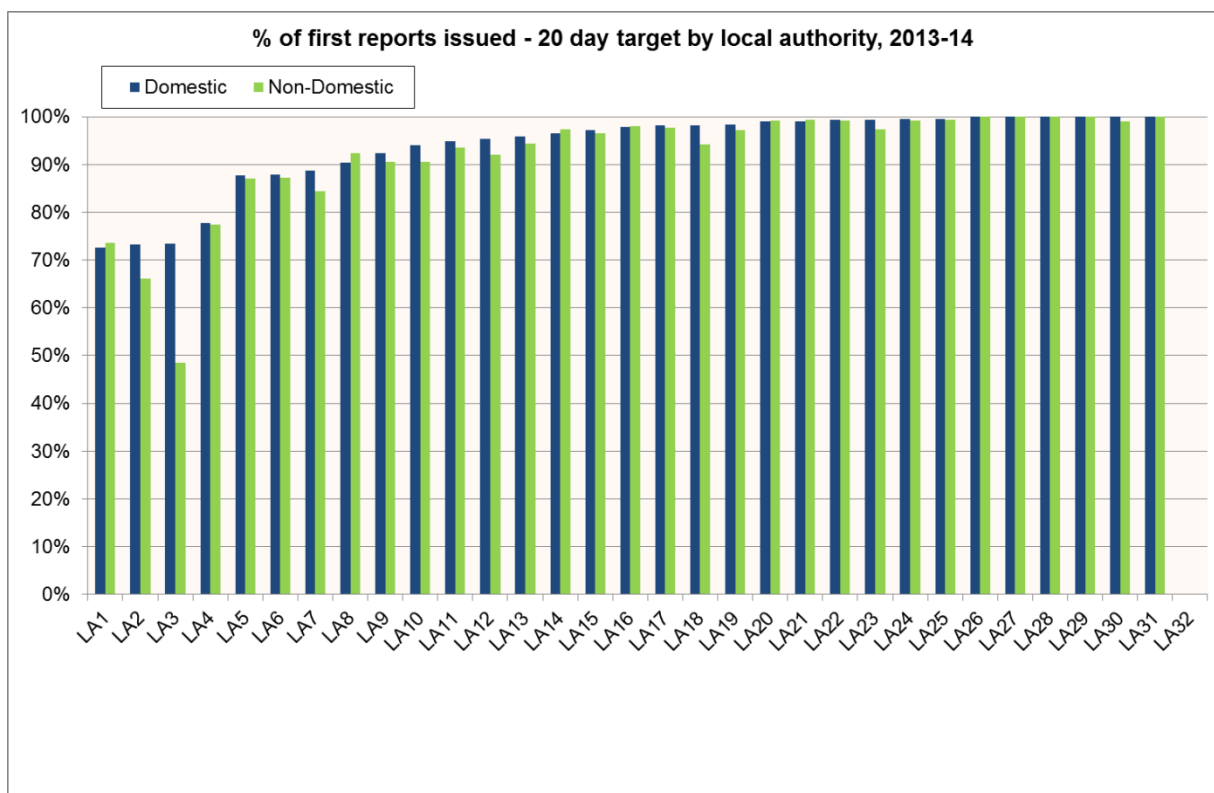




**Fig 12. Percentage of first reports issued (without CA) – 36 days to 3 months by quarter 2013-14**



**Fig 13. Percentage of first reports issued (without CA) – 20 day target by local authority 2013-14**



Notes to figures 9 to 13:

1. Quarter on quarter comparison compared to the Scotland average.
2. Data based on information from 31 LAs.

**Table 7. Meeting Customer Expectations (with CA) 2012-13**

2012-13 Building Category	No. of first reports issued				No. of first reports issued Q3-Q4	No. & % (within CA "agreed target" days)		No. & % (between CA "agreed target" and 3 months)	
	Q3	Q4	Q3	Q4		Q3-Q4	Q3-Q4	Q3-Q4	Q3-Q4
DOMESTIC - MULTILOT			9	8	17	17	100%	0	0%
DOMESTIC - OTHER			0	4	4	3	75%	1	25%
DOMESTIC - EXTENSION			1	4	5	4	80%	1	20%
DOMESTIC - ALTERATION			13	17	30	30	100%	0	0%
<b>DOMESTIC - ALL</b>			<b>23</b>	<b>33</b>	<b>56</b>	<b>54</b>	<b>96%</b>	<b>2</b>	<b>4%</b>
<b>NON-DOMESTIC - ALL</b>			<b>1</b>	<b>13</b>	<b>14</b>	<b>13</b>	<b>93%</b>	<b>1</b>	<b>7%</b>
<b>TOTAL</b>			<b>24</b>	<b>46</b>	<b>70</b>	<b>67</b>	<b>96%</b>	<b>3</b>	<b>4%</b>
Value of work	£0 - £10,000				36	35	97%	1	3%
Value of work	£10,001 - £50,000				3	3	100%	0	0%
Value of work	£50,001 - £250,000				3	3	100%	0	0%
Value of work	£250,001 - £1,000,000				11	11	100%	0	0%
Value of work	£1,000,001 and above				17	15	88%	2	12%

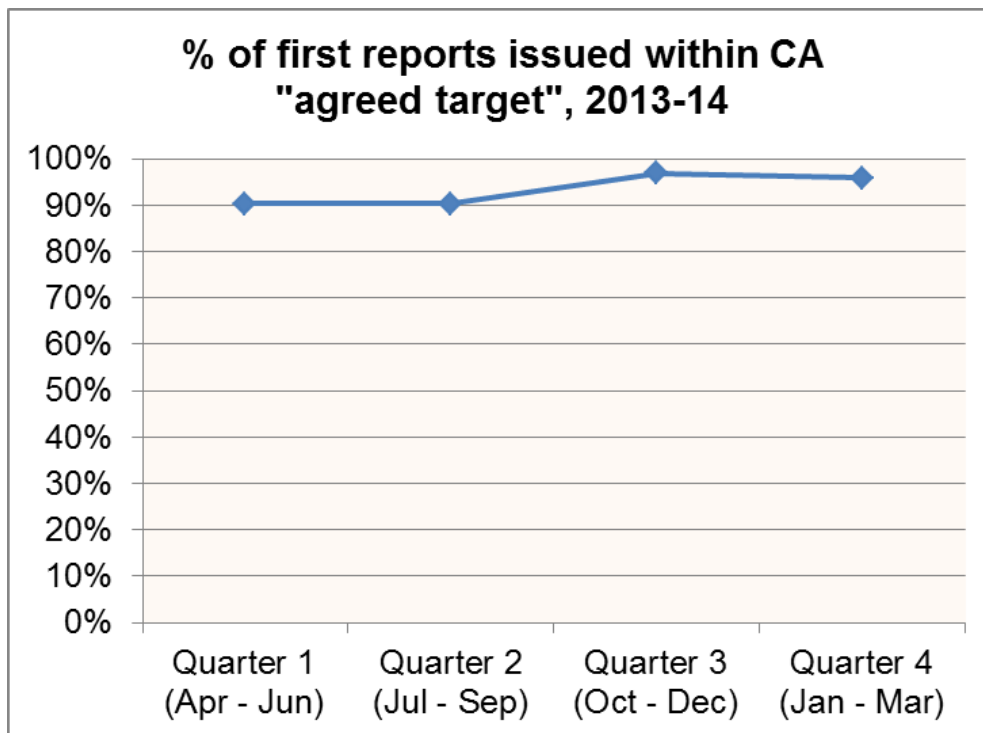
**Table 8. Meeting Customer Expectations (with CA) 2013-14**

2013-14 Building Category	No. of first reports issued				No. of first reports issued Q1-Q4	No. & % (within CA "agreed target" days)		No. & % (between CA "agreed target" and 3 months)	
	Q1	Q2	Q3	Q4		Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4
DOMESTIC - MULTILOT	14	9	14	8	45	39	87%	5	12%
DOMESTIC - OTHER	33	8	5	3	49	37	76%	12	24%
DOMESTIC - EXTENSION	54	3	2	17	76	71	93%	5	7%
DOMESTIC - ALTERATION	70	19	25	27	141	138	98%	3	2%
<b>DOMESTIC - ALL</b>	<b>171</b>	<b>39</b>	<b>46</b>	<b>55</b>	<b>311</b>	<b>285</b>	<b>92%</b>	<b>26</b>	<b>8%</b>
<b>NON-DOMESTIC - ALL</b>	<b>45</b>	<b>23</b>	<b>20</b>	<b>15</b>	<b>103</b>	<b>97</b>	<b>94%</b>	<b>6</b>	<b>6%</b>
<b>TOTAL</b>	<b>216</b>	<b>62</b>	<b>66</b>	<b>70</b>	<b>414</b>	<b>382</b>	<b>92%</b>	<b>32</b>	<b>8%</b>
Value of work	£0 - £10,000				176	166	94%	10	6%
Value of work	£10,001 - £50,000				104	96	92%	8	8%
Value of work	£50,001 - £250,000				56	47	84%	9	16%
Value of work	£250,001 - £1,000,000				40	38	95%	2	5%
Value of work	£1,000,001 and above				38	35	93%	3	7%

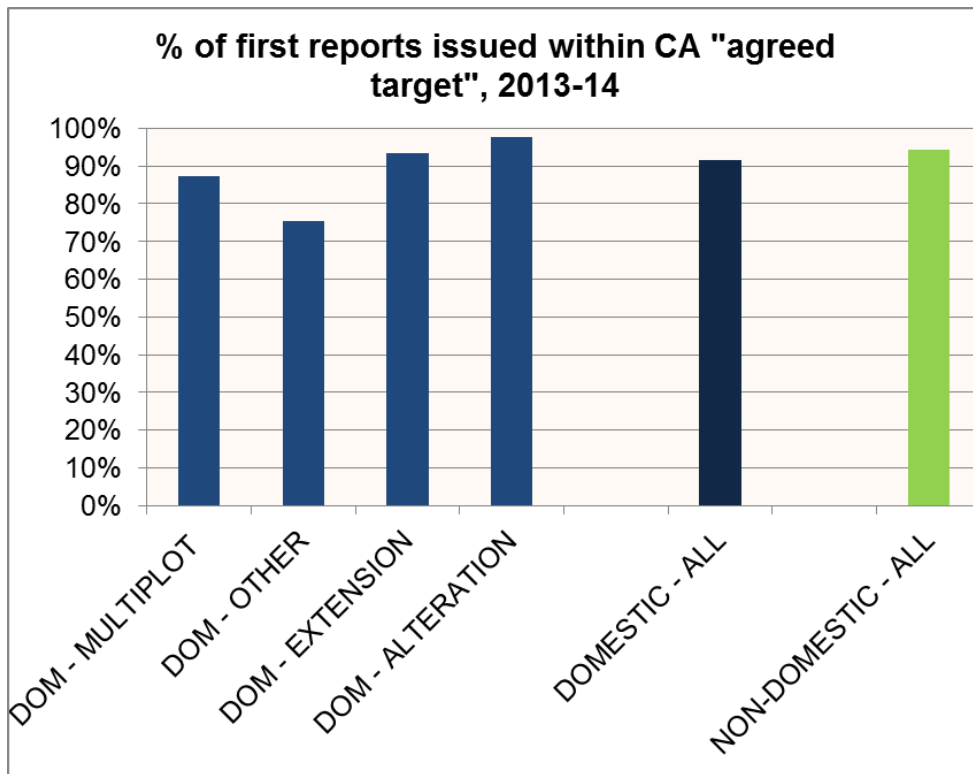
Notes to tables 7 and 8:

- Q1 (Apr-June); Q2 (Jul-Sep); Q3 (Oct-Dec); Q4 (Jan-March).
- The figures only include applications with a Customer Agreement (CA).
- The figures in table 7 cover the initial 6 months implementation period and are for working days. They only include those first reports for building warrants that were applied for before 1 October 2012 and therefore do not provide a complete picture.
- One LA could not provide a breakdown by building category but could provide their overall total figure. Therefore table 8 is based on the breakdown of figures from 31 LAs. (Note: the total number of first reports issued by all 32 LAs for 2013-14 was 416).

**Fig 14. % first reports issued within CA agreed targets – quarter by quarter 2013-14**



**Fig 15. % of first reports issued within CA agreed targets – by building type 2013-14**



Notes to figures 14 and 15:

1. Quarter on quarter comparison compared to the Scotland average.
2. Data based on information from 31 LAs.

## 5.2 Key performance outcome 4 (KPO4)

<b>KPO4</b>	<b>Adherence to service commitments of a National Customer Charter</b>
<b>Purpose</b>	The purpose of this KPO is to demonstrate the shared commitment to service levels and a consistent standard of quality across all verifiers.

### 5.1.1 Reporting

Local authorities updated their customer charters using the national template and published them by 1 October 2012 in line with the new performance framework. Subsequent changes will be reported in the LA quarterly continuous improvement plan updates (see KPO9).

<b>Highlights</b>
National Customer Charter
<ul style="list-style-type: none"><li>• LAs have embedded the national approach into their verification services.</li><li>• LAs should review their customer charter quarterly and update if necessary.</li></ul>

### 5.1.2 Discussion

Local customer charters featured in the previous balanced scorecard approach and have been embedded in all verification services since 2006. The new performance framework introduced a new national customer charter template. The template was designed to complement each LA's local charter and demonstrate the commitment to service levels with a consistent standard of quality across all services.

LAs have adopted the national approach and are expected to review their customer charters quarterly and update if necessary. Quarterly reporting through the continuous improvement plan should note when the national customer charter is changed or updated and for what reasons.

## 5.3 Key performance outcome 5 (KPO5)

<b>KPO5</b>	<b>Improvement of the customer experience</b>
<b>Purpose</b>	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.

### 5.3.1 Reporting

The first national customer survey was undertaken on-line in April 2014 (for building standards customers from 1 April 2013) and the national report was published in July 2014. Individual reports were provided to each local authority. The seven LABSS consortium groups were provided with individual reports covering their membership. Local authorities should identify any customer engagement improvements and report in their quarterly continuous improvement plan updates (see KPO9).

<b>Highlights</b>
<b>National customer survey - customer profile</b>
<ul style="list-style-type: none"> <li>• 1,444 responses from 7,904 survey invitation emails (18.3% response rate).</li> <li>• Availability of customer email addresses varied between local authorities with response rates to the survey ranging from 6% to 50% per local authority.</li> <li>• The customer groups were made up from agents (49%), direct applicants (43%) e.g. building owners, and the rest (9%) in multiple or other capacities.</li> <li>• Most customers (61%) related to domestic buildings, a smaller (14%) proportion to non-domestic buildings, the rest (25%) dealt with both types.</li> </ul>
<b>Overall Satisfaction</b>
<ul style="list-style-type: none"> <li>• The overall rating for satisfaction with the service received was 7.5 (out of 10) which was broadly similar across all customer groups.</li> <li>• Customers in larger local authorities were less satisfied than in smaller local authorities. Customers in medium sized local authorities were most satisfied.</li> </ul>
<b>Meeting Expectations</b>
<ul style="list-style-type: none"> <li>• The overall rating for the extent the service met expectations was 7.4 (out of 10) which was broadly similar across all customer groups.</li> </ul>
<b>Timeliness and Keeping customers Informed</b>
<ul style="list-style-type: none"> <li>• On average, two thirds (65%) of customers were satisfied with the timeliness of the service received. However some (15%) customers were dissatisfied with most criticism relating to processing building warrant applications.</li> <li>• About two thirds (63%) of customers felt they were well informed on progress on their application, however a smaller number (18%) felt they were not.</li> </ul>
<b>Quality of Service</b>
<ul style="list-style-type: none"> <li>• Just under half of customers strongly agreed that the advice and guidance received met their needs and was consistent and helpful. Of the rest, just over a quarter agreed to some extent.</li> <li>• About half of customers strongly agreed that building standards staff were polite, courteous, helpful and knowledgeable. Of the rest, just over a quarter agreed to some extent.</li> </ul>
<b>Communications</b>
<ul style="list-style-type: none"> <li>• Customers reported that email and telephone communication are the most popular (27% each) followed by hard-copy letters and on-site visits.</li> <li>• The majority (82%) of customers had visited the local authority website and (86%) expressed a preference for future communication to be via email.</li> <li>• Customers across all groups rated the written information and guidance from local authorities as 8 (out of 10).</li> </ul>
<b>Accessibility</b>
<ul style="list-style-type: none"> <li>• About two thirds of customers provided positive comments on how easily they were able to make contact with the building standards service.</li> </ul>

### **5.3.2 Discussion**

The previous performance framework showed a strong commitment by LAs to their customers and their engagement through local focus groups and local surveys. However the individual results from each of these were difficult to consider in a national context.

Ensuring customer satisfaction is an essential part of building standards verification. The purpose of this KPO is for verifiers to gain a more detailed understanding of their different customer groups and to be able to respond most appropriately to their needs.

BSD commissioned Pye Tait Consulting Ltd in 2013 to develop a national customer survey which would run in 2014. This involved two phases, firstly to develop the question sets and develop the survey methodology, and secondly to run the initial survey and report on findings. The survey was run from 2 April 2014 until 12 May 2015 and covered the period from 1 April 2013.

The phase one and two reports were published in July 2014 and are available at <http://www.gov.scot/Topics/Built-Environment/Building/Building-standards/publications/pubresearch/researchverification>.

The reports cover the development of the survey and the findings from the survey. Although the findings report only covers the national picture, each LA has been given their individual report. In addition each of the seven LA consortium groups has been provided with the consortium position.

The development of the survey identified some data protection issues requiring LAs to contact their existing customers. There was the need for suitable notes to be added to application to building warrant and completion certificate forms. This created more work for LAs than originally expected and their input and commitment has been recognised. The survey was restricted to on-line delivery and has been well received by LAs. The survey will be run again in 2015 and the original survey question sets have been reviewed with local authorities.

## 6. OPERATIONAL & FINANCIAL EFFICIENCY

This perspective includes four outcomes:

- KPO6 Financial governance
- KPO7 Improved partnership working underpinned by engagement with a National Forum
- KPO8 Development of and adherence to objectives outlined in balanced scorecard
- KPO9 Commitment to continuous improvement

### 6.1 Key performance outcome 6 (KPO6)

KPO6	Financial governance
<b>Purpose</b>	The purpose of this KPO is to monitor verification fee income compared with the costs of running the service: a) to identify where efficiencies can be improved, and b) to determine whether verification fees are of a sufficient level to ensure a high quality service can be offered.

#### 6.1.1 Reporting

Verifiers report data on verification fee income and staff costs quarterly. This includes total staff costs for all service activity and for verification work.

Highlights	2013-14
<b>Verification fee income and staff costs</b>	
<ul style="list-style-type: none"> <li>• Total annual staff costs for verification was £19m.</li> <li>• Staff costs ranged from £4.5m (Q1) to £5m (Q4).</li> <li>• Total verification fee income was £27m.</li> <li>• Fee income ranged from £6.2m (Q3) to 7.2m (Q2).</li> <li>• The proportion of total fee income against verification staff costs was 142%*</li> <li>• The proportion per quarter ranged from 130%* (Q3) to 157%* (Q4).</li> <li>• The % fee income against verification (staff) costs ranged across LAs from 63% to 292%*.</li> <li>• The verification staff costs were approximately 80% of the LA building standards services staff costs.</li> </ul> <p>* More than 100% represents a surplus of fee income against staff costs. This covers the non-staff costs and provides potential for re-investment in the service.</p>	
<b>Value of work</b>	
<ul style="list-style-type: none"> <li>• The overall value of development work covered by building warrant applications, amendments and completion certificates was £5,367m.</li> <li>• The value per quarter ranged from £1,259m (Q4) to £1,561m (Q2).</li> </ul>	



### 6.1.2 Discussion

It is vital that resources including budget, staff, IT and other infrastructure are fully harnessed to ensure efficiencies are maximised. The purpose of this KPO is to monitor verification fee income compared with the costs of running the service.

Local authorities have been reporting on verification costs in the annual return since 2009. These were overall costs and did not provide any breakdown of staff and non-staff aspects. In 2011 BSD commissioned Optimal Economics Ltd to consider the fees system in light of the economic recession.

Phase 1 of the research was to examine if the fees system meets the cost of the verification service provided by local authorities. It also considered if changes to fees were required. Phase 2 then looked specifically at fee income and expenditure across all 32 local authorities. The research was published in 2012.

The research demonstrated that the non-staff aspect of costs had a disproportionate effect on overall costs across local authorities. Therefore when the performance framework was developed it was agreed that reporting on verification costs should focus on the staff aspect, which would allow more representative comparison between local authorities.

In late 2014 Optimal Economics Ltd updated their earlier research to take into account of the latest data, in particular the quarterly reporting of verification staff costs under KPO6. The research indicated that the use of staff costs represents a better comparison across LAs of verification costs.

The fees research is available at:

<http://www.gov.scot/Topics/Built-Environment/Building/Building-standards/publications/pubresearch/researchverification>.

From April 2014 the annual return reporting has been incorporated in the quarterly KPO reporting regime. As a result verification costs are only reported in respect of the staff aspect for simplicity and transparency.

**Table 9. Financial governance – summary 2012-13**

VERIFICATION 2012-13	-	-	Q3 (Oct - Dec) £	Q4 (Jan - March) £	Total Q1-Q4 £
COSTS (STAFF) £000s	-	-	4,803	4,948	9,751
FEE INCOME £000s	-	-	4,951	5,878	10,829
VALUE OF WORK £000s	-	-	874,058	1,071,506	1,945,565
% FEE/COSTS	-	-	103%	119%	111%

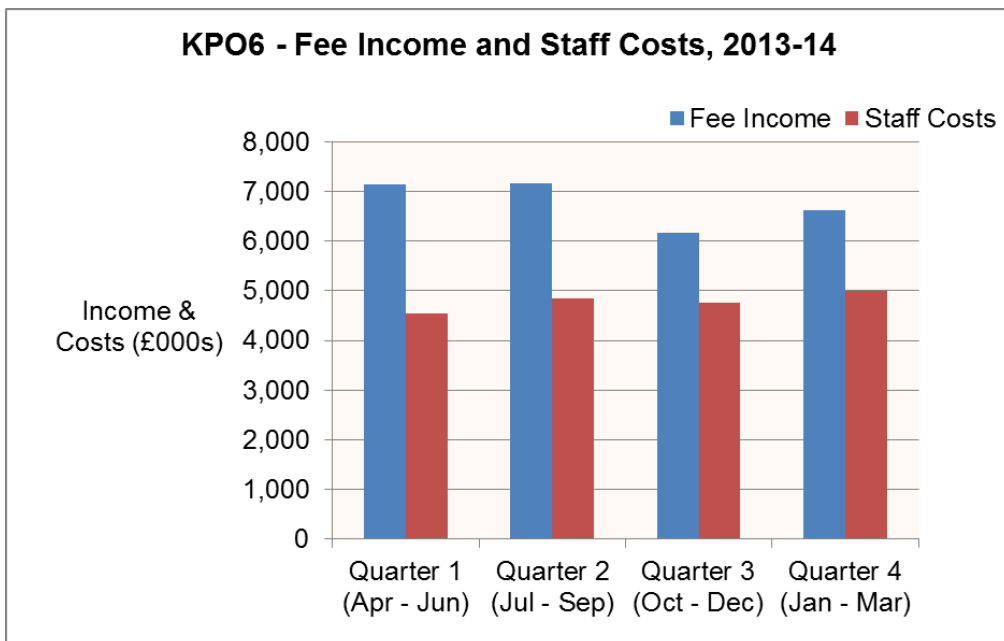
**Table 10. Financial governance – summary 2013-14**

VERIFICATION 2013-14	Q1 (Apr - Jun) £	Q2 (July - Sept) £	Q3 (Oct - Dec) £	Q4 (Jan - March) £	Total Q1-Q4 £
COSTS (STAFF) £000s	4,548	4,837	4,761	4,998	19,144
FEE INCOME £000s	7,145	7,171	6,176	6,623	27,115
VALUE OF WORK £000s	1,283,291	1,560,859	1,264,067	1,259,070	5,367,289
% FEE/COSTS	157%	148%	130%	133%	142%

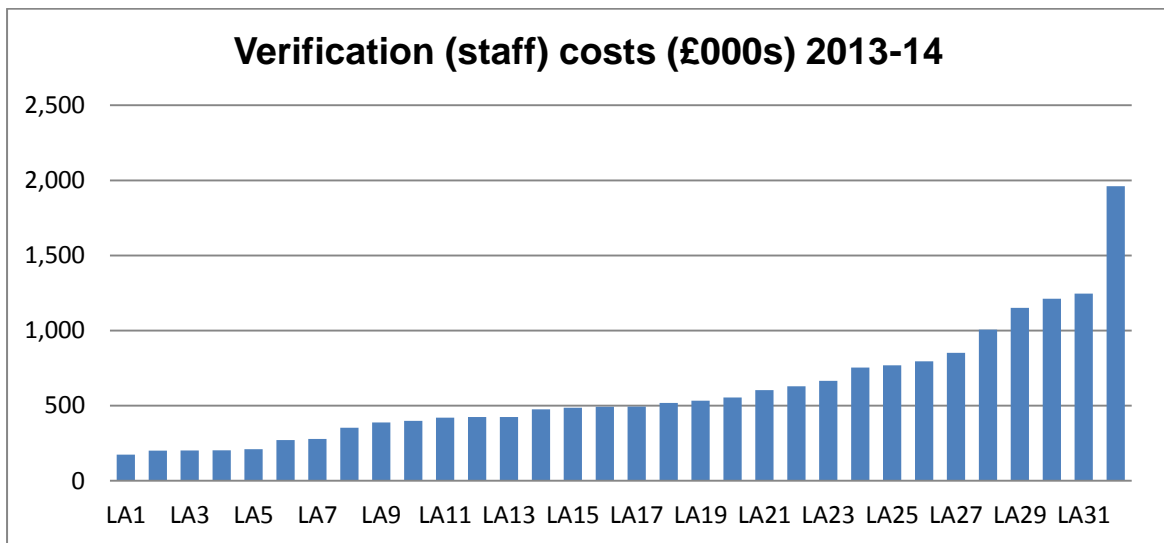
Notes to tables 9 and 10:

- More than 100% represents a surplus of fee income against staff costs. This covers the non-staff costs and provides potential for re-investment in the service.

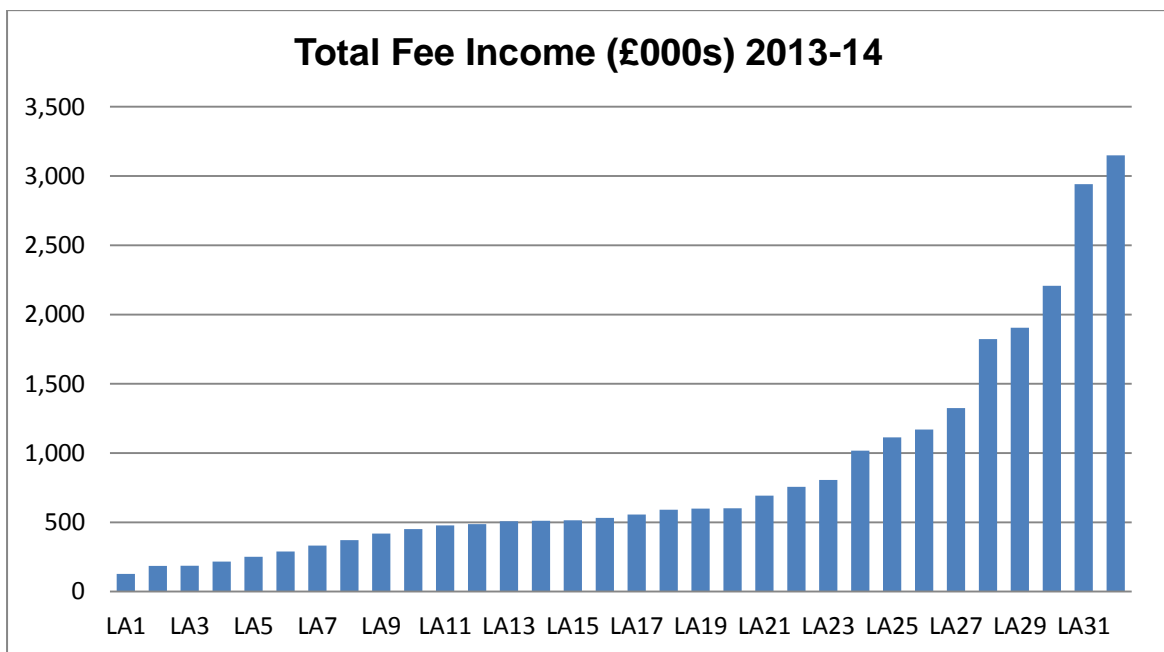
**Fig. 16. Fee income compared to staff costs 2013-14**



**Fig 17. Verification (staff) costs for LAs**



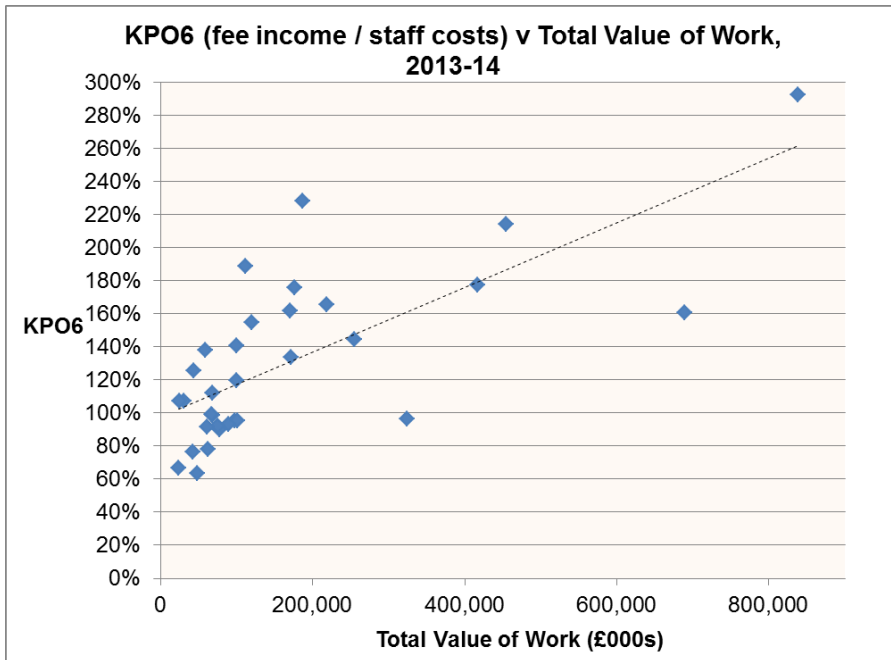
**Fig 18. Fee income for LAs**



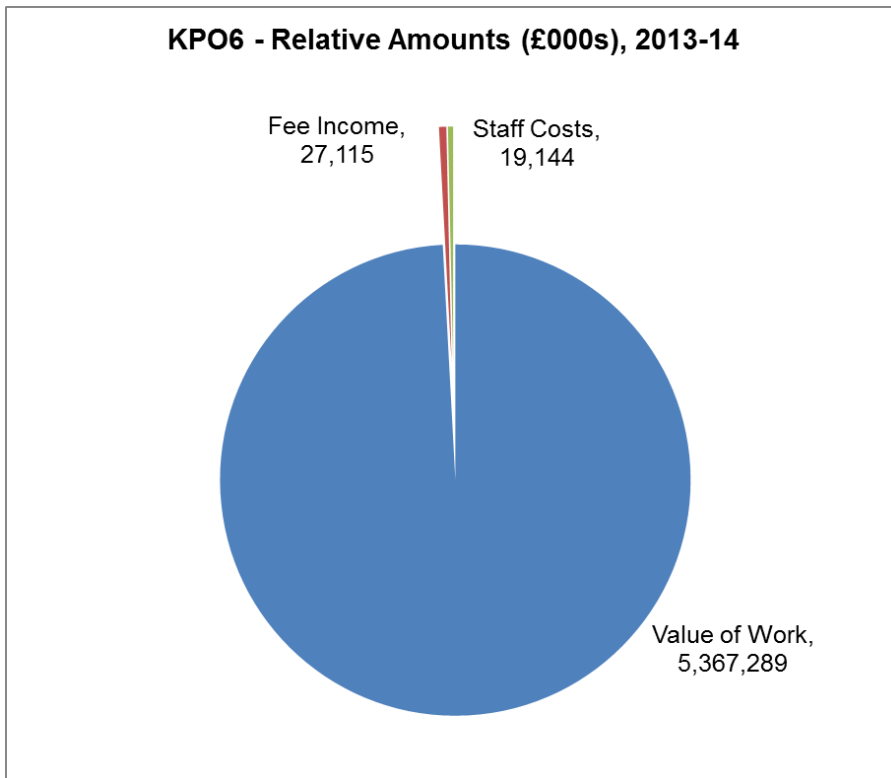
Notes to tables 17 and 18:

- LAs are represented by increasing order of their staff costs and fee income
- LAs are numbered in increasing order of staff costs and fee income. There is no correlation of LAs between both tables.

**Fig. 19. Fee income compared to staff costs for the operation of the verification service**



**Fig 20. Fee income against value of work**



## 6.2 Key performance outcome 7 (KPO7)

<b>KPO7</b>	<b>Improved partnership working underpinned by engagement with a National Forum</b>
<b>Purpose</b>	The purpose of this KPO is to bring together key stakeholders in the construction industry and encourage collaborative partnership working.

### 6.2.1 Reporting

The aim of the national construction forum is to bring together key stakeholders in the construction industry and encourage collaborative partnership working. This approach will underpin greater consistency and seek solutions to issues in the public interest.

Full meetings are to be held twice yearly through a systematic, flexible agenda in response to issues raised by forum members. Meeting reports to be published for dissemination.

### 6.2.2 Discussion

Although the forum has not been formally set up, the overall aim of this outcome has been met. This has been achieved through BSD departmental working groups with industry representation undertaking reviews of building standards. Examples being the 2013 changes (October 2014), the 2015 Section 6, Energy changes (published October 2014) and the 2015 Better Regulation related changes (planned for October 2015).

The aim has also been met by short term cross industry groups set up by BSD for specific technical or procedural issues for example fire suppression, water supplies for fire-fighting, dealing with extending validity of building warrants, and retro fitting external wall insulation.

There have also been quarterly BSD/LABSS strategic liaison group meetings plus regular certification liaison groups comprising certification scheme providers, LABSS and BSD.

## 6.3 Key performance outcome 8 (KPO8)

<b>KPO8</b>	<b>Development of and adherence to objectives outlined in balanced scorecard</b>
<b>Purpose</b>	The purpose of this KPO is to enable a consistent approach to reporting on core perspectives and cross-cutting themes.

### 6.3.1 Reporting

Building Standards services have been operating a balanced scorecard approach to performance since 2005. The introduction of the balanced scorecards in 2005 resulted in positive progress and a stronger focus on customer service in particular. In 2012 a revised balanced scorecard was introduced and built on what has already

been achieved. The aim is to drive forward better compliance with the building regulations, particularly during construction.

Local authority verifiers to embed a balanced scorecard approach to their business planning and a review process, and publish their scorecard.

<b>Highlights</b>
<b>Balanced scorecard</b>
<p>Under the BS performance framework for 2005-2012, all verifiers embedded into their service the following:</p> <ul style="list-style-type: none"><li>• Risk management protocols that determine the management of work on building warrant and completion certificates.</li><li>• Customer charters that encompass: guidance to stakeholders; accessibility of service; measurable performance targets; and customer views.</li><li>• Formal plan for internal business since September 2005.</li><li>• Since 2005, a rolling 3-year strategy for continuous improvement.</li><li>• Since 2007, systems have been in place to record costs and the management of costs against income streams for the verification process.</li></ul> <p>The performance framework from 2012 onwards has led to the following:</p> <ul style="list-style-type: none"><li>• From 2012 a revised BS template is being used, supported by continuous improvement plans.</li><li>• From 2013 verifiers have published their balanced scorecards on their website.</li></ul>

### **6.3.2 Discussion**

The balanced scorecard was initially introduced for the period 2005-2011 to enable verifiers to report performance to Scottish Ministers across five key areas.

When the KPOs were developed in 2012, three core perspectives with two cross-cutting themes underpinning them were identified. The balanced scorecard format was updated to support the new performance framework and KPO8, along with a new template for the continuous improvement plan (CIP) in support of KPO9.

Both were set out in the performance framework handbook and LAs were given until the end of September 2012 to develop and submit them. LAs are expected to provide an annual balanced scorecard, and quarterly updates to their CIPs, with the CIP initially focusing on the implementation of the framework.

The framework was adopted quickly by LAs and it became apparent that the balanced scorecard had become a more static document, which was part of a wider set of information. Some practical difficulties for LAs with the CIP format became apparent. These difficulties were in providing updates to the CIP template and maintaining links to the balanced scorecard and any other local business plans. As a result BSD commissioned Pye Tait Consulting Ltd to consider the issues. Further details on the improvements to CIPs are covered in section 6.4 under KPO9.

Under the previous framework LAs submitted their balanced scorecards to BSD for publication on the Scottish Government website. Following the introduction of the new framework and the wider set of LA information, it was felt that that this information should be published on each LA's website rather than on the SG website. From April 2013 each LA publishes their balanced scorecard on their own website.

As of April 2014 balanced scorecards incorporate the Continuous Improvement Plan summary and LAs should also publish their quarterly Summary of CIP. LAs are expected to review their balanced scorecard quarterly and update if necessary.

## 6.4 Key performance outcome 9 (KPO9)

KPO9	Commitment to continuous improvement
<b>Purpose</b>	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.

### 6.4.1 Reporting

The introduction of a Continuous Improvement Plan (CIP) enables verifiers to demonstrate their commitment to continuous improvement which cuts across all aspects of their balanced scorecards. The plans will allow the Scottish Government to assess the current position of verifiers and see both their business ambitions, and their progress. Verifiers report progress against the CIP quarterly.

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.
- Peer review, benchmarking and sharing best practice.

Highlights
Continuous Improvement Plan
<p>Under the BS performance framework for 2005-2012, all verifiers embedded into their service the principles of continuous improvement which include:</p> <ul style="list-style-type: none"> <li>• Applying continuous improvement principles across the building standards verification service.</li> </ul> <p>The performance framework from 2012 onwards has led to the following:</p> <ul style="list-style-type: none"> <li>• Verifiers undertaking quarterly reviews of their CIP and providing quarterly reporting on progress and future actions.</li> <li>• From 2014, verifiers applying the updated templates for the Continuous Improvement Plan (CIP) and Summary of CIP.</li> </ul>

#### **6.4.2 Discussion**

As explained in 6.3.2, the templates for the balanced scorecard and continuous improvement plan to support the new performance framework led to the scorecard becoming a more static document.

BSD commissioned Pye Tait Consulting Ltd to consider the issues raised on the CIPs. Their report was published in June 2013 and is available at <http://www.gov.scot/Topics/Built-Environment/Building/Building-standards/publications/pubresearch/researchverification>.

The research recommendations have been further developed in conjunction with LABSS with enhancements to both the CIP methodology and reporting. From 1 April 2014 the operational and reporting aspects of the CIP have been separated. This enables easier and more consistent quarterly reporting by LAs by using a quarterly Summary of CIP which has been integrated into section 4 of the balanced scorecard. LAs are also now expected to publish their quarterly Summary of CIP alongside their balanced scorecards on their website.



## 7. SUMMARY

### 7.1 General

Scottish Ministers re-appointed local authorities as verifiers in May 2011 for a further six year period on the understanding that a new performance framework was introduced. The new framework was developed in partnership between BSD and LABSS. It was launched in May 2012 and built on the previous framework of a balanced scorecard approach.

The framework covers three broad perspectives with two cross-cutting themes “Public Interest” and “Continuous Improvement”. It introduced focus on a number of key performance outcomes (KPOs), with LAs reporting performance to the Scottish Government on a quarterly basis. The perspectives of the framework are –

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

Local authorities started performance reporting (quarterly) from October 2012. The first two quarters (Q3 and Q4 of 2012-13) were seen as an implementation period in recognition that some LAs were at different stages of readiness with their back-office IT management systems and office procedures.

It is also important to note that the reporting regime applies to applications for building warrant submitted on or after 1 October 2012. Therefore the returns for the early quarters do not present a full picture due to the applications already in the system. This picture will improve quarter on quarter as the older applications get determined.

The framework was developed collaboratively between central and local government and has been adopted by all 32 LAs. The early difficulties in reporting have steadily been resolved. For 2013-14 LAs addressed the gaps in data however there continued to be delays by some LAs submitting their returns on time.

In addition one LA could not provide a full breakdown of their total figures for KPO1 and KPO3, or totals for KPO2. This is reflected in the relevant sections of this report.

### 7.2 Professional Expertise & Technical Processes (KPO1 and KPO2)

KPO1	Year-on-year reduction in the average time taken to grant a building warrant
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In 2013-14, there were 37,938 building warrants granted by 32 LAs. Only one LA could not provide a detailed breakdown of their totals, therefore detailed breakdowns are available for 33,785 building warrants. Overall it took LAs on average 47.1 (working) days to grant warrants, ranging from 22.8 to 64.4 days across LAs.

The average time (days) increased throughout the year from 39.6 (Q1) to 52.9 (Q4). However the initial quarters are unlikely to truly represent LA performance. This is due to the number of applications that were submitted before reporting started on 1 October 2012, and were still in the system.

Approximately 81% of warrants were for domestic buildings. They were granted in an average of 44.6 days, ranging from 20.3 to 64.6 days across LAs. On average the time taken to grant building warrants for domestic alterations was the lowest, followed by domestic extensions and then new housing.

The average time for non-domestic buildings was 48.7 days, ranging from 28.2 to 82.4 days across LAs. Building types were not broken down further in 2013-14.

Approximately 81% of warrants were for low value work (up to £50k). They were granted in an average of 40 days. The time taken was proportionate to the value of work, with low value work taking less time than higher value work.

Generally, the time taken to grant a warrant is dependent on two factors – the time taken by the LA to carry out their checking, and the time taken by the applicant to submit any revised details.

Future reporting from 2014-15 will facilitate reporting of this breakdown in order to help identify the influence of the applicant and LA on the overall performance.

KPO2	Increased quality of compliance during the construction processes
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In 2013-14 there were 8,806 construction compliance and notification plans (CCNPs) for completed buildings, based on returns from 31 LAs. Of these, 60.5% were fully achieved, ranging from 11.9% to 97.3% across LAs.

The number of CCNPs increased throughout the year from 1,284 (Q1) to 3,070 (Q4). However these quarters are unlikely to truly represent LA performance due to the applications in the system that were submitted before the reporting regime started.

Approximately 81% of CCNPs were for domestic buildings. Of these, 61.3% were fully achieved, ranging from 11.6% to 96.8% across LAs. For non-domestic buildings, 57.1% were fully achieved.

Approximately 91% of CCNPs were for low value work (up to £50k). Of these, 66% were achieved.

Achieving the CCNP is dependent on two factors – the applicant notifying the LA of the key work stages set out in the CCNP, and the LA carrying out their checks on those stages. The percentage of CCNPs fully achieved varies widely across LAs. This may suggest differing levels of notifications and inspections between individual LAs, or that LAs measure achievement differently.

Future reporting from 2014-15 will facilitate this breakdown to be reported to help identify the influence of the applicant and LA on overall performance.

### 7.3 Quality Customer Experience (KPO3, KPO4 and KPO5)

KPO3	Increased commitment to meeting customer expectations
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In 2013-14, there were 42,170 first reports on building warrant applications issued by 32 LAs made up of 41,754 first reports for domestic buildings, and 416 first reports for non-domestic buildings. Only one LA could not provide a detailed breakdown of their totals.

Most first reports (99%) were for applications for building warrant without a customer agreement. Of these 92% were issued within 20 (working) days, ranging from 67% to 100% across LAs. The remainder were generally issued within 35 days.

The number of first reports issued was fairly consistent over the year ranging from 8,900 to 9,600 per quarter. This suggests the complete picture is being presented.

Approximately 78% of first reports were for domestic buildings. Of these, 93% were issued within 20 days, ranging from 73% to 100% across LAs. For non-domestic buildings, 92% were issued within 20 days, ranging from 49% to 100% across LAs.

Approximately 79% of first reports were for low value work (up to £50k). Of these, 93% were issued within 20 days.

Applicants entered into a customer agreement (CA) with 14 LAs on 416 occasions, representing 1% of building warrant applications. Of these, 95% of the CAs were with 6 LAs. Approximately 75% of CAs were for domestic buildings. The number of CAs is low suggesting either applicants are unaware of them or they are relatively satisfied with performance expectations.

For customer agreement cases, 92% of first reports were issued within the agreed target, ranging from 71% to 100% across 12 LAs. The first report target was not met for 8% of the CAs and two LAs did not meet the target for any of their customer agreement applications (total of 3). This suggests that either the target was unrealistic or, if the circumstances changed, the target was not renegotiated.

Issuing the first report is dependent on a number of factors, which includes the complexity of the project and quality of the application, and the resources and workload of the LA. On average the majority of first reports were issued within 20 working days which suggests 20 days is not a challenging target. Furthermore it does not accurately represent the LAs who issue first reports in significantly less than 20 days.

KPO4	Adherence to service commitments of a National Customer Charter
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Local authorities have been publishing their customer charters since 2006 as introduced under the previous performance framework. They have all now updated them to embed the national approach and for consistency utilise the customer

charter template. The quarterly reporting regime encourages LAs to review their charters on a regular basis and refine if necessary.

KPO5	Improvement of the customer experience
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The first national survey was developed in discussion with LAs and undertaken on-line in April 2014. The national report was published in July 2014, with individual reports provided for each LA and LABSS consortium group. The national customer survey will be undertaken again in 2015.

There were 7,904 invitations to participate in the survey issued resulting in 1,444 individual responses, split equally between applicant and agent customer groups. The overall satisfaction rating with the LA building standards service was good at 7.5 out of 10, and the overall rating on meeting customer expectations was 7.4 out of 10. These ratings were broadly similar across applicant and agent customer groups. Customers in medium sized local authorities were most satisfied, with those in large local authorities the least satisfied.

#### 7.4 Operational & Financial Efficiency (KPO6, KPO7, KPO8 and KPO9)

KPO6	Financial governance
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In 2013-14 approximately 80% of the LA building standards services staff costs across Scotland were for LA verification services. The annual staff costs for LA verification services was £19m and, as expected, was fairly consistent across each quarter.

The verification fee income was higher (142% of staff costs) and varied across quarters from £6.2m to £7.2m. This shows a surplus of verification fees to cover the non-staff costs, which can vary quite significantly between local authorities.

Up until a few years ago there had been a consistently healthy surplus of fee income from building warrant applications year on year. However the recent economic recession has resulted in the number of applications decreasing, along with reduced value of work and fee income.

Indications in 2014 were that the downward trend in applications and fee income had possibly bottomed out and building warrant applications were increasing again.

In 2014 BSD commissioned research to look at the comparison of fee income and expenditure and update earlier research commissioned in 2011 (published in 2012). The research considers Scottish Local Government Financial Statistics and local authority verification returns to provide the financial picture at the end of the financial year 2013-14. It supports the view that fees are generally moving towards a surplus, but the individual position of some local authorities may differ.

The fees research is available at: <http://www.gov.scot/Topics/Built-Environment/Building/Building-standards/publications/pubresearch/researchverification>

The overall value of work verified for 2013-14 was £5,367m which covered building warrant applications, amendments to warrant, and completion certificates. The value of work per quarter varied from £1,259m to £1,561m.

KPO7	Improved partnership working underpinned by engagement with a National Forum
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The National Forum has still to be formally set up. However the aim of the outcome, to bring together key stakeholders in the construction industry and encourage collaborative partnership working, has been met.

This has been achieved through BSD departmental working groups, made up of the appropriate experts and stakeholders, having considered various building standards and construction related issues. They have undertaken reviews of building standards for the 2013 changes (October 2014), the 2015 Section 6, Energy changes (published October 2014) and the 2015 Better Regulation related changes (planned for October 2015).

BSD has also set up short term cross industry groups for specific technical or procedural issues for example fire suppression, water supplies for fire-fighting, dealing with extending validity of building warrants, and retro fitting external wall insulation.

There have also been quarterly BSD/LABSS strategic liaison group meetings plus regular certification liaison groups comprising certification scheme providers, LABSS and BSD.

This approach has shown to underpin greater consistency and provide solutions to issues in the public interest.

KPO8	Development of and adherence to objectives outlined in balanced scorecard
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Local authorities have been applying the balanced scorecard approach to their building standards service since 2005 as introduced under the previous performance framework. LAs have all updated them to embed the national approach and utilise the balanced scorecard template for consistency.

All LAs now publish their balance scorecards on their own website. The quarterly reporting regime encourages LAs to review their scorecards on a regular basis and refine if necessary, rather than just review annually as in previous years.

The balanced scorecard approach, along with the continuous improvement plan under KPO9, allows LAs to closely align their business planning with their own corporate objectives.

Local authorities have been applying continuous improvement principles to their building standards service since 2005 as introduced under the previous performance framework. They have updated their approach in line with the new framework to embed the national approach and utilise the continuous improvement plan (CIP) template for consistency.

Improvements identified by LAs initially focussed on their implementation of the new framework. It was apparent that LAs were achieving these improvements within the first few quarters and therefore going forward, the practical role of the CIP should be reviewed.

An updated CIP approach was developed in association with LAs for use from 1 April 2014 to focus reporting on the key improvements identified by each LA. This also included reporting on progress against each key action and identifying new actions for future inclusion.

All LAs are now using the detailed CIP and summary CIP templates. LAs maintain their detailed CIP for their own business planning. They then regularly report the key improvements, including progress updates and future actions, through the summary of CIP on a quarterly basis.

## 7.5 Summary of improvements for 2014-15 reporting

LAs have embedded the performance framework into their business. This required a significant level of commitment and resourcing in the early days but now seems to be incorporated into their working practices. The issues identified during the introductory period have been reviewed and resolved. Improvements were identified and introduced for the 2014-15 reporting year onwards. These have already been seen to be delivering benefits. The improvements can be summarised as –

Reporting (2014-15 onwards)
Data fields changed from % to numerical data (KPO1, 2, 3)
Reporting non-domestic work category expanded to five separate types (KPO2)
New optional field introduced to provide breakdown of average time taken by the verifier to grant a building warrant (KPO1)
New optional field introduced to provide breakdown of numbers of CCNPs successfully achieved by the relevant person (KPO2)

New optional field introduced to provide breakdown of numbers of CCNPs successfully achieved by the verifier (KPO2)

Introduction of web platform for on-line performance data submission

Integration of annual returns into quarterly performance reporting and additional optional fields for breakdown of numbers of staged building warrant applications and amendments to warrant

**Balanced Scorecard and Continuous Improvement Plans (2014-15 onwards)**

Continuous improvement plans (CIP) methodology split into “Detailed CIP” (for LA use) and quarterly “Summary of CIP” (for submission to BSD) (KPO8 and 9)

LAs to publish balanced scorecards and summary of CIPs on their website