

Minister for Local Government and Community Empowerment
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Mr Alistair Buchan
Chief Executive
Orkney Islands Council



[BY EMAIL]

(copy to: Head of Service)
(copy to: Building Standards Manager)

Our ref: A13218983

3 February 2016

Dear Mr Buchan

BUILDING STANDARDS PERFORMANCE FRAMEWORK

I am writing to you as the Minister with responsibility for Building Standards matters. In particular I wish to provide you with an update on your local authority's performance in relation to the key performance outcomes contained in the performance framework.

As you will be aware the verification performance framework was introduced in 2012 following the re-appointment of local authorities as verifiers for their own geographical areas.

The 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.

At the time of re-appointment, Scottish Ministers committed to review the performance of local authorities as verifiers in the lead up to the next appointment period from May 2017. This review is underway and is considering local authority performance since 2012, as well as identifying any enhancements that may be necessary to the framework based on the evidence gathered. Building warrant fees have not increased since 2005 and are also kept under review.

Customer focus is at the core of most businesses and I was pleased to hear last year that LABSS (Local Authority Building Standards Scotland) had introduced their LABSS partnership agreement and dispute resolution initiatives. I understand these are still being tested in practice and I would like to hear views from users of these initiatives, as well as any plans LABSS have for further development.



I am encouraged that many local authorities have embedded the performance framework into their building standards service. I am also encouraged that many local authorities are committed to driving service improvements forward and have been showing improvements through the quarterly reporting regime.

However, there is still the issue of performance itself. Recently I have been made aware of lengthy turnaround times and inconsistent approaches and interpretations of building regulations by some local authorities.

This would be worrying if it became embedded and I am concerned that even in the short term it would have a detrimental impact on the development industry and a negative impact on economic growth. I fully understand customer concerns but also accept that the picture across Scotland is a mixed one with many authorities performing well and a number of others having specific performance issues.

I have therefore asked my officials for an indication of verification performance up to the end of September 2015 (based on local authority performance returns at the end of the last reporting period Q2 2015-16), with particular focus on decision making timescales and customer engagement. The Scotland-wide assessment is included in **Annex A** with feedback on your local authority's performance in **Annex B**.

I would like to hear your views on the issues facing your area in advance of my meeting with LABSS on 24 February.

Therefore please return your comments, including any actions you might propose to take or suggest the Scottish Government could take, to the Building Standards Division (BSD) by Wednesday 17 February 2016.

Please use the template in Annex B and email to: buildingstandards@gov.scot

I hope you find the feedback helpful and encourage you to continue working with your consortium and benchmarking groups, as well as your customers and key stakeholders.

Finally I would like to acknowledge your help and that from LABSS in developing the verification performance framework. Also, I thank you for implementing it and aligning your business processes for reporting your building standards information to the Scottish Government.



MARCO BIAGI

ANNEX A SCOTLAND-WIDE PERFORMANCE UP TO END SEPTEMBER 2015

KPO1 – Year-on-year reduction in the average time taken to grant a building warrant
The average time to get a building warrant has varied between local authorities and has generally been increasing (i.e. taking longer to grant a building warrant). This is made up of the time taken by the verifier and the time taken by the applicant. The quarterly reporting regime was updated from April 2014 to allow local authorities to provide this breakdown. Although this would better represent their own performance it is disappointing that only six local authorities have provided the breakdown figures to date.
KPO2 – Increased quality of assessment and compliance during the construction process
The successful achievement of construction, compliance and notification plans (CCNPs) by both the relevant person and the verifier has varied significantly across local authorities. There have also been suggestions that some local authorities might measure the success of a CCNP differently. This could explain the variation in performance and is an aspect to be explored in the CCNP research currently being undertaken by BRE. As with KPO1 the quarterly reporting regime was updated from April 2014 to allow local authorities to provide breakdowns for verifier performance and relevant person performance. It is disappointing that only eight local authorities have provided the breakdown figures to date.
KPO3 – Increased commitment to meeting customer expectations
The % of first reports issued within 20 days has varied between local authorities and has generally been decreasing (i.e. taking longer to issue a first report). However the down-turn is due to only a few local authorities as most local authorities have shown consistent or improving performance.
KPO4 – Adherence to service commitments of a National Customer Charter
Customer charters, in place for many years, have been updated to the national format under the framework. Most local authorities, but not all, are making charters clearly available to their customers via their website.
KPO5 – Improvement of the customer experience
The Scottish Government has run the Scotland-wide verification customer survey twice, in 2014 and 2015. The overall 2015 satisfaction rating has dropped slightly from 7.5 to 7.1. The rating for each local authority and for consortium groups varied, with over half of local authority seeing their ratings drop.
KPO6 – Financial governance
Verification staff costs have been consistent while verification fee income has been increasing. Fee income in Q2 increased significantly, probably due to applications submitted pre-2015 changes. Scotland-wide fee income for 2014-15 was 151% of verification staff costs (2013-14: 141%). However there have been significant variations between local authorities from less than 100% (no surplus) to more than 200% (significant surplus).
KPO7 – Improved partnership working underpinned by engagement with a National Customer Forum
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 has been met through strategic liaison groups, departmental working groups and short term cross industry groups for specific technical or procedural issues. This approach has been shown to underpin greater consistency and provide workable solutions.
KPO8 – Development of an adherence to objectives outlined in balanced scorecard
Balanced scorecards have been in place for many years and the format was updated under the current framework. Most local authorities, but not all, are making scorecards clearly available to their customers via their website and updating them when necessary.
KPO9 – Commitment to continuous improvement
Reporting on continuous improvement was simplified from April 2014 with only the summary continuous improvement plan (CIP) having to be submitted quarterly. Despite this it is disappointing that just over half of local authorities missed the deadline for submission. Even with reminders, four local authorities still have not submitted their Q2 summary CIP.

**ANNEX B
VERIFICATION PERFORMANCE – AT END SEPTEMBER 2015 (END Q2 2015-16)**

Name of local authority verifier: **Orkney Islands Council**

The feedback below on your performance covers the range of performance outcomes set out in the Building Standards Verification: Key Performance Outcomes Handbook. This framework was introduced as part of the re-appointment of verifiers from May 2011.

The Red, Amber, Green ratings are based on the evidence provided within the quarterly returns and looks at quarter on quarter progress and comparisons to the Scotland-wide picture. Where no information or insufficient evidence has been provided, a 'red' marking has been allocated.

KPO	Performance Outcome	RAG rating	Comments	Local Authority Comments/Actions
1	Year-on-year reduction in the average time taken to grant a building warrant	Green	<p>The average time to grant a building warrant has been decreasing quarter on quarter. The times have been consistently lower or close to the national averages.</p> <p>RAG = Green</p> <p>Local authority has not provided a breakdown of time taken by verifier.</p> <p>RAG = Amber</p>	[for Local Authority use]
2	Increased quality of assessment and compliance during the construction process	Green	<p>The % of CCNPs fully achieved has varied quarter on quarter. The last three quarters have been significantly higher than the national averages.</p> <p>RAG = Green</p> <p>Local authority has provided a breakdown of CCNPs fully achieved by relevant person or by verifier.</p> <p>RAG = Green</p>	[for Local Authority use]
3	Increased commitment to meeting customer expectations	Green	<p>The % of first reports issued within 20 days has been consistent quarter on quarter (up to 100%). They have been significantly higher than the national averages.</p> <p>Local authority has provided customer agreements.</p>	[for Local Authority use]

4, 5	<p>Adherence to service commitments of a National Customer Charter</p> <p>Improvement of the customer experience</p>	Green	<p>Customer charter published on local authority website. Last update specified October 2015.</p> <p>The 2015 customer survey indicates a lower overall satisfaction rating for your service (8.3) than your 2014 rating (9.1).</p> <p>RAG = Red</p> <p>Your 2015 rating (8.3) is significantly higher than the national rating (7.1).</p> <p>RAG = Green</p> <p>Your customer response rate (13.5%) was similar to the national average (15.6%).</p> <p>The number of email addresses supplied by you was higher than the national average.</p> <p>The number of responses was higher than the national average (21 responses).</p> <p>RAG = Green</p>	[for Local Authority use]
6	Financial governance	Amber	The % of fee income measured against verification staff costs has been generally consistent quarter on quarter. They have been consistently lower than the national averages.	[for Local Authority use]
7	Improved partnership working underpinned by engagement with a National Customer Forum	Not applicable		[for Local Authority use]
8, 9	<p>Development of an adherence to objectives outlined in balanced scorecard</p> <p>Commitment to continuous improvement</p>	Green	<p>Balanced scorecard published on local authority website. Last update specified October 2015.</p> <p>Quarterly update of continuous improvement plan summary submitted on time.</p>	[for Local Authority use]

Overall markings (total numbers for red, amber, green)

Red	0
Amber	1
Green	5

Decision making timescales

KPO1	Average time to grant a building warrant	Green
KPO3	% of first reports issued within 20 days	Green

Any other local authority comments

[for Local Authority use]

RAG MARKING CRITERIA

	RAG	MARKING CRITERIA BASED ON LAST 6 QUARTERS (TO END SEPT 2015)
		<ul style="list-style-type: none"> 2013-14 Q1, Q2, Q3, Q4; 2014-15 Q1, Q2
KPO1	Green	Below the national average – < 60 Days (National average =58 days approx.) Can provide breakdown of verifier time
	Amber	Close to the national average – > or = 60 days and < 65 days Cannot provide breakdown of verifier time
	Red	Above the national average – > or = 65 days
KPO2	Green	Above the national average – > 50% (National average = 52% approx.) Can provide breakdown of relevant person and verifier performance
	Amber	Close to the national average – > 45% and < or = 50% Cannot provide breakdown of relevant person and verifier performance
	Red	Below the national average – < or = 45%
KPO3	Green	Above the national average – > 95% (National average = 90% approx.)
	Amber	Close to the national average – < or = 95 and > 90%
	Red	Below the national average – < or = 90%
KPO4, KPO5	Green	National customer charter published on-line Customer survey rating – above 2014 LA rating Customer survey rating – above 2015 national rating (7.1) Email addresses provided – above 2015 national average (2x ave = significant) Number of responses – above 2015 national average (2x ave = significant)
	Amber	Customer survey rating – within 5% or 0.5 below 2014 LA rating Customer survey rating – within 5% or 0.5 below 2015 national rating (7.1) Email addresses provided – between 2015 national average and 50% average Number of responses – between 2015 national average and 50% average
	Red	National customer charter not clearly published on-line Customer survey rating – more than 5% or 0.5 below 2014 rating Customer survey rating – more than 5% or 0.5 below 2015 national rating (7.1) Email addresses provided – below 50% of 2015 national average (7.1) Number of responses – below 50% of 2015 national average (7.1)
KPO6	Green	% fee income against staff costs – > 120% and < or = 150% ⁽¹⁾
	Amber	% fee income against staff costs – > 100% and < or = 120% % fee income against staff costs – > 150% ⁽¹⁾ and < or = 200%
	Red	% fee income against staff costs – < or = 100% % fee income against staff costs – > 200%
KPO7		Not applicable
KPO8, KPO9	Green	Balanced scorecard published on-line Submission of Summary CIP Q2 2015-16 – on time
	Amber	Submission of Summary CIP Q2 2015-16 – late
	Red	Balanced scorecard not clearly published on-line Submission of Summary CIP Q2 2015-16 – not done

⁽¹⁾ Note:

- Average 2014-15(Q1-4) – 151% (based on 4 quarters);
- Average 2014-15(Q1-4); 2015-16(Q1) – 155% (based on 5 quarters);
- 2015-16(Q4) ignored due to additional applications (and fees) submitted prior to October 2015 regulation changes.