

COUNCIL CABINET 16 March 2016 **ITEM 10**

Derby City Council

Report of the Cabinet Member for Regulatory Services

Transforming Building Control Across Derbyshire

SUMMARY

- 1.1 The purpose of this report is to set out the business case for Derby City Council to be part of a transformational strategic joint building control service for Derbyshire. This report presents the basis of a proposed partnership for the future delivery of the Building Control service with other Local Authorities within Derbyshire.
- 1.2 Six Authorities within Derbyshire have been engaged in an options analysis and process to identify the solution that will sustain the delivery of building control services. The six Authorities covered by this piece of work are:
 - Amber Valley District Council
 - Bolsover District Council
 - Chesterfield Borough Council
 - Derby City Council
 - Derbyshire Dales District Council
 - North East Derbyshire District Council

The Councils' currently provide a building control service that deals with professionals, the public, building companies and other businesses and its primary role is to ensure that legal building standards are achieved within each authority's administrative area in line with the Building Act 1984, and other subordinate legislation. It also has a key role in dealing with dangerous structures and safety at sports grounds.

1.3 The building control service for Derby City Council is delivered by the Building Consultancy section within the Communities, Environment and Regulatory Services Department.

RECOMMENDATION

2.1 To approve, in principle, subject to final details to be agreed, the establishment of a Derbyshire Building Consultancy Company, wholly owned by the six local authorities, with a view to the transfer of the Council's building control functions and staff to the new company.

- 2.2 To authorise the Strategic Director for Communities and Place, C Durrant, in consultation with the Cabinet Member for Regulatory Services and the Director of Finance to negotiate suitable terms for the Council to be incorporated into (a) a service agreement, (b) a transfer agreement and (c) a shareholders agreement, to give effect to the transfer proposal.
- 2.3 To agree, in principle, to the creation of a separate trading company to deliver Approved Inspector Services outside the boundary of the Local Authorities with the aim of making a surplus.
- 2.4 To give delegated responsibility to the Strategic Director for Communities and Place C. Durrant in consultation with the Cabinet Member for Regulatory Services and the Director of Finance to approve the final contracts when determined in terms of the three agreements identified in recommendation 2.2 and approve the agreements to transfer of the Council's building control functions and staff to the new company.

REASONS FOR RECOMMENDATION

3.1 To allow further meaningful development and refinement of the proposed Derbyshire Building Consultancy Company in principle approval is required from Cabinet, such approval will demonstrate to the Council partners that it is committed to this proposal, subject to agreement of the final terms of the Corporate documentation.

Ultimately this recommendation will:

- 3.2 1. Enable local authority building control to compete effectively with the private sector Approved Inspectors
 - 2. Reduce each local authority partners' revenue costs for the provision of statutory (non-fee earning) elements of the service (such as dangerous structures).
 - 3. Enable the development of a service that can deliver a budget surplus (and therefore a dividend to the partner local authorities), which is not available to Local Authorities under current arrangements.



COUNCIL CABINET Date

Derby City Council

Report of the Cabinet Member for Regulatory Services

SUPPORTING INFORMATION – The proposed solution (Business Model)

- 4.1 Building Control service is essentially split into three service delivery channels.
 - Building Regulations "chargeable activities" for which customers can be charged a fee (Note: the current powers to make charges are very prescriptive, and only empower councils to set charges at a level to cover actual costs. (councils cannot budget to generate a surplus)
 - Building Regulations "non-chargeable activities", which need to be funded through Council Tax as the legislation specifically states they cannot be charged for e.g. dealing with applications relating to works for disabled facilities, advice generally to the public, inspections to identify unauthorised building work, etc.
 - Other Building Control services typically "regulation and enforcement activity", such as dealing with dangerous buildings, demolitions and safety at sports grounds etc.
- 4.2 The building control service for Derby is currently delivered by Building Consultancy within the Communities, Environment and Regulatory Services Department. There is no doubt that Derby Building Consultancy has, in the past, been successful in that it has managed to hold onto a reasonable market share in years gone by in the face of growing competition from private 'Approved Inspectors'. Unfortunately, in recent years this competition has increased, putting pressure on all authority services.
- 4.3 The Local Authority market share has fallen over the last three years and it is likely that competitor activity will continue to increase. Delivering the service in the same current way will not address the threats to the provision of service. There is a risk year on year of increases in costs as revenue falls and staff potentially leave. The significant issues with the current model are:
 - Increased competition from approved inspectors and impact on market share, affecting revenue and costs. Competitors can attract the best staff further reducing our ability to secure revenue.
 - Limited scale and position in the markets
 - Restrictive financial framework
 - Lack of marketing and promotion
 - Limited cross boundary working and sharing of capabilities
 - A need to use agency staff for the business operation and agency costs will rise as competitive pressure increases and the numbers of available staff falls.
 - Often teams are too small to cope with sickness or holiday commitments
 - Staff retention, recruitment and succession, for example across Derbyshire

50% of the professional staff are over 50, with only 2 people under 30.Our teams are generally older and many are nearing retirement. Recruitment to replace these staff will be difficult and expensive.

- 4.4 The Building Control service across Derbyshire faces similar significant challenges as a result of competitor activity by Approved Inspectors (AIs) and staff demographics. Approved Inspectors can pick and choose the work that they undertake. Any work that they do not wish to do they can either refuse or price very high. That work would then fall to the local authority service to respond to as a non-chargeable activity. A Local Authority cannot turn work away.
- 4.5 A Building Control Group representing the Derbyshire local authorities has been meeting on a regular basis and has been working to develop a solution that would meet clear strategic goals;
 - **Improved financial performance**: Positive contribution from Building Control. Increased resilience and ability to retain and recruit staff. Ability to maximise the skills available and share resources
 - A more competitive business: More effective marketing and business development. Ability to secure bigger contracts and support larger schemes. Ability to develop new services that deliver additional revenue
 - **Contribution to growth across Derbyshire**: Supporting the local economy. Developing new public sector business models and ways of working. A plan that aligns and complements Derbyshire's Development Strategy
- 4.6 The group worked through the steps and arrangements to create a new operational structure to address key areas including the operational design, people development, support service provision, customer relationships, the business plan and governance arrangements.
- 4.7 The Group has regularly reported back to the Derbyshire Chief Executives, which includes the Council's Chief Executive, who agreed a business case to commence the detailed work necessary to start the work to implement a new building control partnership, subject to political approval. This work was supported by a successful bid for a funding contribution of £50,000 for the work from the Derbyshire Transformation Fund.
- 4.8 The programme worked on themed work streams associated with the transformation:
 - Process definition and IT
 - Finance and Legal
 - Staff
 - Business Development and marketing
- 4.9 A compelling opportunity emerged in creating a new building control business that is local authority owned and which provides a controlled blueprint for effective delivery of service. The business plan identifies that it will deliver high quality and sustainable services in our area by a business directed to support the development needs of the area, offering employment opportunities for local graduates and apprentices, and for

existing staff for professional and personal growth. The business could be built on a firm and sustainable economic base, reducing costs and generating surpluses, with all surpluses returned to the partner authorities.

- 4.10 The economy is in an upturn and the construction industry is growing. With that upturn, it is expected that we will see some new entrants into the market who will not have the required skills, training or experience to achieve required regulatory, quality or safety standards.
- 4.11 Nationally Building Control revenue is already rising as building activity grows. There has already been a pick-up in speculative new homes construction by developers of circa 11% (LABC New Home Warranty figure). Commercial and other buildings that had been moth-balled are now being worked on again. Job stability and job growth in the private sector is starting to encourage a higher level of home owner investment and house moves. Building control income across the whole of Derbyshire will benefit from growth.
- 4.12 As a larger organisation, separate from the Council, there is potential to accelerate the speed of growth in revenue and increase total revenue by marketing the service and adding value. Advances through marketing are hard to achieve in small stand-alone local authority teams, because of the lack of time and expertise (and even confidence). LABC has fostered marketing success in larger units and it is easier to create a commercial specialism in a larger unit. The cost of compliance/enforcement, consumer protection, dangerous structures and other non fee activities can be marginalised by maximising revenue.
- 4.13 A much larger local authority building control unit could afford to have specialists with in-depth professional competencies to ensure retaining health, education and other sector work. Similarly, entry level technical staff can be trained in other surveying skills e.g. fire risk assessments, in order to grow revenue and provide profitable allocation of spare capacity.
- 4.14 The proposed solution is pragmatic and straightforward, involving the pooling of the building control capabilities across six authorities within a single organisation that will be stronger, more sustainable and better able to create a positive economic contribution.

The objectives of the business are clear:

- Providing a blueprint for the commercial delivery of authority services
- Delivering our regulatory obligations
- Supporting skills and employment growth
- Providing a sustainable financial and resource position
- Reducing the cost of service
- Generating a surplus
- 4.15 The new organisation will bring together all 33 staff involved in building control across the six authorities, as part of a TUPE transfer. No staff will be immediately made redundant and it is likely that the company will commence recruiting new staff as soon as it is formed. The new business will build upon the existing success of the building

control teams, capturing additional market share and developing and delivering new products.

4.16 The business case is based on extensive consultation with the building control staff, market research and competitor assessments. The assumptions are conservative and reflect the objective assessments of the team. The business case and business model are designed to be robust and flexible to cope with changes in market conditions, allowing the business to seize opportunities or respond to setbacks.

The business model is understood to have been tested by the consultants under various scenarios, replicating changes in market or operational conditions. Finance colleagues are still reviewing the detail of this testing. Whilst the finances still produce a positive outcome, the whole team recognises the considerable challenge associated with bringing this new organisation into being and making it successful.

- 4.17 We have identified three principal revenue streams:
 - External revenue House building, domestic and commercial
 - New commercial activity including structural engineering activity, work outside our area, warranty services and training
 - An authority service fee from local authorities for the provision of local services
 Existing services provided 'without fee' will be covered by a standard Authority Service Payment
- 4.18 The staff at all six authorities have been involved in creating a new marketing and business development plan for the organisation. This plan builds on the work of the building control managers who reviewed the current performance of their respective businesses and developed a view for how they could build their business over the next five years. The work that they have undertaken covers the whole of the six authority areas and reflects the differing strengths and opportunities in an area as diverse as the City of Derby to the small market community such as Bakewell.
- 4.19 The income assumptions are straightforward and look at two areas the growth of the market and the capture of this market by the new organisation
- 4.20 Whilst still in its initial stages, the team has been working to identify additional revenue streams available to the business over time. In particular three potential significant opportunities have been identified:
 - 1. The provision of building control services to other local authorities or within other local authority areas. This could be via formal commercial agreements with other authorities for provision of service or via supply deals delivering additional capacity as it is required. Setting up a separate Approved Inspector trading company alongside the Partnership company would allow work to be undertaken outside the six partner local authority boundaries. An example would be a relationship with a customer across these boundaries.
 - 2. Extended provision of professional services, for instance, in structural engineering, safety advice, warranty services and other areas where skills already exist in the team and could be provided commercially
 - 3. Partnerships. Whilst the local authorities are members of many partnerships

including LABC (The national building control organisation) the authorities have not had the resources to really take advantage of the opportunities this and other partnerships bring to work in our area from organisations based elsewhere.

- 4.21 In addition the new company would charge each of the authorities approximately £55,000 for the provision of regulated services and any additional services provided under an agreed service level agreement. A fixed range of services will be provided for a fixed annual fee. There will be the ability to vary services or deliver additional benefits via an agreed price list. The services and service level agreements would be individually agreed with each of the partner authorities.
- 4.22 The exact organisational structure and roles and responsibilities have not been finalised and it is expected that these would be finalised in consultation with the new managing director appointed in the run up to the Spring 2016 launch. The broad organisational approach has been developed and the leadership team of the building control across the six authorities suggested the following areas of focus:
 - The development of a commercial group focussed on meeting the needs for the development community and engaging with this larger customer group.
 - The creation of a new approach to product and service innovation to allow the company to develop new products and bring them rapidly to market
 - A renewed emphasis on business development and marketing with the recruitment of a business development focussed managing director, and a full time marketing resource.
- 4.23 The principles of the cost model include:
 - Costs fall over the five years of the model as the company becomes more efficient in delivery and changes the mix of staff.
 - Overheads are reduced significantly and the company will maintain a low cost business model
 - A managing director will be appointed to drive business development and provide effective leadership
 - The mix of staff will change over time including hiring more apprentices and graduate staff to rebalance the team and providing a new cadre of staff to gain experience in building control resilience for the future.
 - The company will provide a route for apprentices and graduates to gain skilled work and training within our communities
 - There is an allocation of a marketing budget and a member of staff to support business development and to help grow revenue
- 4.24 The existing building control team represents the core asset of the business. It is planned to move the entire team to the new business. In total 33 staff will move to the new organisation with a managing director and marketing resource appointed in year one. The falls in senior building control posts over the first five years reflects the maturity of the organisation and the natural losses of this cohort. A graduate building control level will be introduced with an expanded apprenticeship scheme. The organisation will become flatter with a single Managing Director and two managers for the whole business. New working practices will significantly increase efficiency.

Salary levels based on current average salaries by grade. Salary levels will be maintained for all staff (under TUPE rules) and increases of 1% a year have been budgeted for. It is planned to normalise T&Cs over time for all staff. A graduate building control group will be recruited in addition to expanding the apprentice scheme. A staff bonus pot will be created in year two and beyond representing 5% of staff costs – the rules for membership of the staff bonus scheme and the process for allocation will be developed with the new managing director.

4.25 The transformation will create a digital building control business, where access is available "anytime, anyplace and anywhere" built to meet customer and staff needs and maximizing efficiency. The new business, will aim to deliver all applicable services digitally. Every member of staff will be digitally enabled, reducing paperwork and support requirements at every stage in the business. The company will largely operate "on the road" with some hot-desk and meeting facilities at a small number of drop in offices. Access to legacy Building Control IT systems will be required at each Authority for a period of 12 to 18 months until appropriate business services and data are migrated and in place. There will be a budget for staff to rent informal meeting space when required. There will be a budget for home office set up for all appropriate staff, and administrative staff will work in the same hot desk environment.

The aim is that agency costs will fall significantly but the proposal contains provision to retain budget for agency costs, subject to revenue needs. The company will not recruit to meet full capacity but look to minimise agency costs. The new business will require an upfront investment loan of £250,000 to fund its start-up activities. The arrangements for this loan and where it will come from have yet to be agreed. This loan will be repaid within five years.

- 4.26 The business will operate under the management of a single managing director, who will be responsible for the delivery of the business plan targets to meet the expectations of the shareholders. The managing director will focus resources on the areas of greatest opportunity, and react to market set-backs by taking appropriate cost or investment decisions.
- 4.27 During the first two years of operation, it is suggested that there is the allocation of a single member of staff (a transformation director) from each of the authorities to act as lead liaison ensuring the new business is able to establish itself rapidly and take advantage of the significant strengths the councils can bring to bear.
- 4.28 Broadly the governance structure would be as follows:

Shareholders Meeting

- All six authorities represented and meet every year to approve accounts and business plan
- The shareholders will appoint Chairman (If required)

Board will be made up of

- Managing director (executive)
- Transformation director (24 months) responsible for overseeing transformation and establishment of new business (Appointed by shareholders from within

local authorities)

- Two representatives from shareholders (Elected at shareholder meeting)
- Two Non Executives with experience in building control and/or professional services (paid will need recruiting)
- The organisation will consider placing a staff representative within the board
- Meet every quarter to monitor progress and support the business

Customer Group

- Managing director or appointed senior staff
- Representatives from all six authorities

The customer group will meet every quarter to monitor SLAs and respond to local issues.

4.29 HR

The transfer of staff will be carried out under TUPE regulations, providing all staff with protection of their existing terms and conditions of employment. The plan is to move to a harmonised set of terms for ancillary payments (mileage, out of hours works etc.). Any increase to salary, benefits and ancillary payments, will be based on the performance of the business.

The provision of pensions to the existing and future staff is a critical component of their terms and conditions of employment and an important part of the proposed reward structure. The project lead is currently in the process of applying for membership status within the Derbyshire Local Government Pension Scheme. This will allow all the staff to transfer their existing pension entitlements to the new company with no detrimental impact. We do not yet have the final cost implications for this change but it is understood that any cost adjustments will be manageable within the envelope of the business performance. It is anticipated that there will be final confirmation of the costs within February or March 2016, at which point the implications for the business and the authorities will be determined.

4.30 Financial Planning

The model has been stress tested under the limited scenarios of low or zero market growth and limited market share capture. The business continues to perform under these conditions although it is likely that recruitment of new staff would need to be controlled as appropriate

4.31 Legal Framework

The legal objectives are clear:

- A local authority owned business
- Each authority has equal shareholding
- The operations are led by a managing director
- The board will be made up of a sub group of authorities and leading external non-executives
- The company returns all surplus to the shareholders

Legal representatives from all authorities are working through draft heads of terms agreements and the current proposal is for a shareholders agreement to be prepared for sign off ideally at the end of March.

4.32 Although detailed discussions with partners are now at an advanced stage, there are a number of legal, financial and HR matters yet to be resolved/completed, and hence the 'in principle' nature of the first and third recommendations to this report. These include:

Legal

- The Service Agreement essentially the contract whereby each local authority buys back building control services from the company and which will include, amongst other considerations, performance standards for the company
- The Shareholder Agreement which will govern all aspects of the relationship between each partner local authority, and the company
- The Transfer Agreement which will cover the transfer of staff and assets to the new company

Financial – the financial model is still being analysed by finance colleagues

- The details of the annual service fee
- Details of any pension costs shortfall and how this will be met
- The set-up loan agreement, its terms and who this will be with
- Details of any ancillary fees and charges likely to be levied on partner local authorities by the company for 'non-contract' services, and how these would be applied.
- Various underlying assumptions of the business model

HR

- TUPE arrangements and agreement on a collective formal staff consultation
- Contract details (including office location, scope of work, etc.) to enable formal staff consultation to be undertaken meaningfully in line with TUPE regulations
- Confirmation of pension scheme arrangements.
- In view of these unresolved matters it is proposed that cabinet give delegated responsibility to the Strategic Director for Communities and Place, C Durrant, in consultation with the Cabinet Member for Regulatory Services and the Director of Finance to approve the final contracts.

OTHER OPTIONS CONSIDERED

5.1 Do Nothing

There are major risks to maintaining the status quo. The building control business is under major competitive pressure and we would expect revenues to decline over time without concerted action. Competitors can attract our best staff further reducing our ability to secure revenue. We need to use agency staff for the business we win and agency costs will rise as competitive pressure increases and the numbers of available staff falls. Often teams are too small to cope with sickness or holiday commitments. Teams are generally 'mature' and many are nearing retirement. Recruitment to replace these staff will be difficult and expensive

5.2 Limited partnership

The authorities could operate a less formal partnership sharing resources to meet needs. In fact a small amount of cross border resource transfer is carried out and in recent months under the initiative of this project a joint resource team has been established. However, it is operationally and legally difficult to genuinely share staff and resources. Staff cannot be allocated to meet the needs of different areas over the medium term and competition between authorities has often seen staff recruited to across boundaries.

5.3 Outsource

The authorities could withdraw completely from the provision of building control services and outsource the provision of these services to either another authority or an outsourced provider. This would allow the authority to meet its regulatory needs and would be likely to allow the delivery of the service at a fixed cost. However the authority would miss the chance to take advantages of surpluses gained from business operations, build on the long term investment we have already made in staff and resources and look for local solutions to meet local needs.

This report has been approved by the following officers:

Legal officer	Olu Idowu			
Financial officer	Amanda Fletcher			
Human Resources officer	Susan Farmery			
Estates/Property officer	· ·			
Service Director(s)	John Tomlinson, Director of Communities, Environment and Regulatory			
	Services			
Other(s)				

For more information contact: Background papers:	Mick Henman 01332 642096 mick.henman@derby.gov.uk None	
List of appendices:	Appendix 1 – Implications	

IMPLICATIONS

Financial and Value for Money

- 1.1 The current cost of delivering the statutory elements of Building Consultancy is approximately £157,000 per year. The trading element ("chargeable activities") of Building Consultancy is forecast to breakeven, as required under the CIPFA guidance for Local Authority Building Control Accounting, 2010. The proposed model would mean all Building Control functions would be provided by the new business, at a cost to the Council of approximately £55,000 per year. It is anticipated that there will be supplemental charges for delivering some elements of work, although what these are and the likely cost is currently not known and will be subject to the Service Level Agreement. The Council would continue to incur costs for managing the contract, although it is anticipated this can to be managed within resources remaining within Communities, Environment and Regulatory Services Department.
- 1.2 Finance colleagues are still reviewing the business model and are trying to gain clarity on the following issues:
 - growth assumptions
 - cyclical nature of the construction industry
 - pension liability
 - detail of the Service Level Agreement
 - details of loan
 - cashflow modelling
 - profiling of costs
 - model of delivery
 - legal structure of the business
 - distribution of profits and losses

Discussions are continuing to resolve these remaining queries.

Legal

2.1 Section 2 of the Local Government Act 2000 provides "(1) Every local authority are to have power to do anything which they consider is likely to achieve any one or more of the following objects (a) the promotion or improvement of the economic well-being of their area..... and (2) The power under (1) may be exercised in relation to or for the benefit of (a) the whole or any part of a local authority's area or (b) all or any persons resident or present in the local authority's area.

Classification: OFFICIAL

- 2.2 The Councils legal services team will review the:
 - Service agreement
 - Shareholder agreement
 - Transfer Agreement and
 - Service level agreement and Performance indicators and will provide a written report to Council Cabinet prior to service transfer.
- 2.3 For the setting up of the Approved Inspector company, the Construction Industry Council (CIC) is the representative forum for the professional bodies, research organisations and specialist business associations in the construction industry. The CIC regulates all Approved Inspector services.

Any body or individual must register with the CIC and seek approval to trade as an Approved Inspector. The approval process can take between 4 – 6 months and could be longer if all the criteria aren't met. The criteria include, creation of a trading company, the use of separate accounts, qualified and experienced staff sufficient and separate business support. The Company being set up by the Council will have to register and seek approval from the CIC.

2.4 Under the Access to Information Regulations we are required to report why this report should not be made public. The report contains confidential information, which is commercially sensitive, relating to the commercial operation of the Building Control Partnership.

Personnel

3.1 The legal framework under the Transfer of Undertaking Protection of Employment Act (TUPE) will apply to staff currently employed in the Building Consultancy Team at Derby City Council. Informal consultation commenced in summer 2015 led by the project lead, there have been further meetings with management and HR to address some of the concerns they have raised around the location of their role, their contractual status post transfer and pension implications. Not all of these issues have been resolved and further work is required of the project lead prior to commencement of formal consultation.

There is no set time limit for collective consultation prior to transfer and therefore the local authorities will need to agree in advance, whether 30 days is sufficient time to undertake collective consultation on all of the legal aspects attached to the transfer, which include:

- that the transfer is to take place, when approximately and the reasons for it
- the legal, economic and social implications of the transfer for all affected employees including contracts, statutory rights, collective agreements and pensions
- notifying employees that no measures are envisaged or give details about the measures that are envisaged
- the transfer of personal files at a specified time following due diligence.

As with any consultations, we must also consult the recognised trade union representatives across all local authorities.

The Council's legal services team will also be engaged in the transfer of the staff to the new company.

IT

4.1 The Council will need to transfer currently held building application data to the new company to enable it to undertake the work on behalf of the Council. Discussions are continuing to address any data protection issues relating to this data transfer/sharing.

Equalities Impact

5.1 Equality analysis has been undertaken during the development of the proposals. No negative impacts for specific protected characteristics have been identified. Younger people are currently under-represented within our workforce. These proposals seek to establish a graduate building control level and extend the apprenticeships scheme, this will create opportunities for younger people to gain skills, knowledge, work experience and earn a wage.

Health and Safety

6.1 The new company will legally responsible for compliance with relevant health and safety legislation; this will be embedded within the contract with the partner local authorities.

Classification: OFFICIAL

Environmental Sustainability

7.1 None arising from the establishment of the new company.

Property and Asset Management

8.1 None arising directly from this report.

Risk Management

- 9.1 The new building control business is not without risks:
 - Implementation: We may be unable to deliver the revenue and cost profile as described
 - Market: the market may not grow as we expect and/or we may not achieve our market share objectives
 - Staff: we may not retain the staff we require or staff may not perform as we hoped
 - Leadership: We may not secure the clear leadership we need. There is a significant change required of the combined organisation how it sells and how it delivers?

In preparing this report consideration has been given to the following key corporate issues:

- risk management, including state aid
- capital or revenue financial implications
- public relations/media
- legal implications
- equalities

Description of the Risk	Impact	Likelihood	Mitigating Action	Resultant Impact	Resultant likelihood
Partnership operates at loss as income falls below target	М	М	Accounts kept under review by Board. Business case is based on a realistic income forecasting. Increase income from higher fees. Industry forecasts have been used in business case	М	L
Insufficient allowance made for running costs	М	L	Current estimate is based on existing budgets, industry forecasts and industry experience. Monthly budget monitoring and reports.	L	L
Recruitment of a new Building Control Business Manager fails and TUPE transfer and changes to contracts cause de-motivated staff	H	L	Run process early to ensure involvement early. Have alternate plan in place for management arrangements if recruitment not successful. Early and open TUPE consultation. Listening and flexibility. Trade Union and HR involvement. Terms and Conditions reflect staff concerns and reward engagement and performance	L	L

Corporate objectives and priorities for change

10.1 This proposal embraces the Council's **value for money** objective and forms part of its '**delivering differently**' agenda.