

# Fortifying the frontline

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**Michael Clarkson discusses the reasons behind North Tyneside Council's decision to outsource its building control service**

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The past few years have been a tale of annual budget cutting exercises for local authority services. But can this continue, especially when regulatory services budgets consist mainly of salary or staffing-related costs? To make the situation even worse, there are often budgets that are tied up in servicing a fee-earning process, such as building control and planning, that are difficult to withdraw or are even ring-fenced.

Alternative service delivery models ? and in particular public-private partnerships ? are now at the heart of current transformation in the traditional role of government as employer and service provider. While the language alludes to the benefits of collaboration through unrestricted boundaries and less 'network' organisational forms, it is private-sector principles of efficiency, competition and entrepreneurialism, rather than public sector values, that are embraced.

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Local government may never appear the same again, and it is time for the profession to consider change positively. A further [comprehensive spending review](#) (CSR) is on the horizon and other local authorities may find themselves following [North Tyneside's](#) lead and enter the 'new world'.

North Tyneside's Building Control team is a lean but well-run service. The council decided to outsource building control and other technical services, not because they were failing but because local government settlement grants were being cut to the extent that it would no longer be able to afford to deliver them without significant reduction. With local authority building control services operating in direct competition to private sector bodies, it is a tribute to North Tyneside's performance that [Capita Symonds](#) still holds an extremely large share of the market. Architects and developers definitely value our building control service ? with level of support for the both [LABC Partner Authority Scheme](#) and [LABC Building Excellence Awards](#) being positive examples of this.

## Procurement objectives

Building control formed part of frontline services including engineering, planning, consumer protection and property. Following the CSR, the share of the financial savings for these services was set at ?2.8m. This equated to a 28% reduction from the expenditure budget. To

make further staffing cuts to these services would have severely affected their ability to function sustainably.

As an alternative, in November 2011 the council opted to 'soft market test' the technical group of services with the following procurement objectives:

- investment in the partnering services and their means of delivery
- job protection for the existing workforce
- growth opportunities for the partnering services in a wider marketplace leading to the creation of additional jobs within the borough
- financial efficiencies within the partnering services
- efficiencies in relation to the council's use of office accommodation by the co-location of a partner provider within the borough
- improved performance in the delivery of the partnering services.

Building control and regulatory services such as environmental health, licensing, car parking, planning and trading standards were included. There then followed an in-house and EU-compliant procurement process involving officer-led competitive dialogue with 4 shortlisted bidders chosen from the 7 that originally took part. Capita Symonds was appointed by the council as preferred bidder on 13 August 2012 and the strategic partnership began on 1 November the same year.

The value of the core contract is ?152m over 15 years and involved the transfer of 390 members of staff. Building control staff have been seconded along with officers from planning, environmental health and licensing to preserve the council's statutory decision-making powers.

## Capita Symonds

Capita Symonds already delivers the professionally recognised regulatory functions of building control and planning to various councils via existing and mature partnerships with Salford City Council and Breckland District Council. This is no guarantee of success of course; however, the majority of its people are former local government employees familiar with the public-sector service delivery ethos, which is fundamental.

While building control has been tested, other regulatory services are 'new to market' and have never been outsourced before, so there are corresponding inherent risks. This is why the council has formed a comprehensive service delivery client-side team covering the strategic partnership.

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Six officers have been fully retained to regulate the contract, protect the principles and integrity of core service delivery, and assist with investment and growth. Capita Symonds has already supplemented the Building Control team with mentors to help it adapt to the new service delivery model and to steer the strategic partnering objectives. At a professional level the strategic partnership has already positively engaged with the respective professional institutes ? including RICS ? to encourage and support staff with qualification routes and career development.

## **The future**

The council's client team is ensuring that the partnership delivers the overriding principle of 'business as usual' in the first instance. But it is also assisting in developing the services and seeking new opportunities, using the commercial acumen that Capita Symonds brings to the table. Both partners have exercised due caution to ensure that there are no frightening built-in financial targets that have caused some public-private partnerships to unravel. We cannot take such risks, particularly with a statutory service such as building control that carries so much regulatory responsibility and quite rightly demands the confidence of consumers and business. This has been sense checked by officers responsible for service delivery rather than bringing in externally appointed consultants with no day-to-day knowledge.

Making the strategic partnership work, certainly in the short term, will no doubt involve working even harder and it will be no picnic. However the Building Control team inform me, as you might expect, that they are up for the challenge. And it is with the prospect of having the professional incentive to think more strategically and about the 'bigger picture' again, as opposed to working in an environment that is constantly looking to downsize.

The North Tyneside strategic partnership is still a relatively new concept for building control and there will be some critics who will never accept the principles of pursuing the chosen route of outsourcing. The challenges will be fiercely made and no doubt intelligently so, perhaps along similar lines to those that took place when the government of the day first proposed private-sector involvement in our building control profession. As then, only time will tell what will become the norm for the future. For those faced with a similar scenario in the future, please do not see it as a threat. If the contract is right, it will not only safeguard but actually develop the service.

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