



# GEDLING BOROUGH COUNCIL

## INTERNAL AUDIT REPORT

BUILDING CONTROL AND DEVELOPMENT MANAGEMENT  
DECEMBER 2022

| LEVEL OF ASSURANCE |                           |
|--------------------|---------------------------|
| Design             | Operational Effectiveness |
| Substantial        | Substantial               |

IDEAS | PEOPLE | TRUST



|  |    |
|--|----|
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#### DISTRIBUTION

| Name             | Job Title                             |
|------------------|---------------------------------------|
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| Jeremy Barlow    | Principal Building Control Officer    |
| Kevin Cartwright | Principal Planning Officer            |
| Mike Hill        | Chief Executive Officer               |
| Mike Avery       | Head of Development and Place         |
| Nigel Bryan      | Principal Planning Officer            |
| Pam Woodhouse    | Clerical Assistant - Building Control |
| Paul Adcock      | Head of Finance and ICT               |

#### REPORT STATUS LIST

|                       |  |
|-----------------------|--|
| Auditors:             | Alex Russell<br>Charlotte Thomas<br>Gurpreet Dulay |
| Dates work performed: | 18 July - 23 September 2022                        |
| Draft report issued:  | 09 November 2022                                   |
| Final report issued:  | 05 December 2022                                   |

**EXECUTIVE SUMMARY****LEVEL OF ASSURANCE: (SEE APPENDIX II FOR DEFINITIONS)**

|               |             |  |
|---------------|-------------|--|
| Design        | Substantial | There is a sound system of internal control designed to achieve system objectives. |
| Effectiveness | Substantial | The controls that are in place are being consistently applied.                     |

**SUMMARY OF RECOMMENDATIONS: (SEE APPENDIX II FOR DEFINITIONS)**

|        |   |
|--------|---|
| High   | 0 |
| Medium | 1 |
| Low    | 1 |

**TOTAL NUMBER OF RECOMMENDATIONS: 2****CRR REFERENCE:****7. Failure to react to changes in legislation****BACKGROUND:**

Local authorities have a legal duty to provide a building control service to the public under the Building Act 1984 and associated Building Regulations. This includes a duty to enforce the Act and the Regulations in their jurisdiction and retain ultimate responsibility for decision-making with regards to enforcement action.

The Building Regulations cover how applications should be made for domestic and commercial work, the duties and responsibilities of people involved, the actual technical requirements for each type of application and the timeframe in which local authorities may reject applications. The majority of building work requires consent under the Building Regulations.

Gedling Borough Council (the Council) has also recently introduced a chargeable street naming and numbering policy.

The Council's building control service ensures that newly erected or altered buildings comply with Building Regulations and are safe and fit for people to live and work in. The building control services team works to acknowledge, process and approve applications in line with the Local Authority Building Control (LABC) ISO 9001 registered quality management system (QMS) procedures.

Additionally, development management is the process of pro-actively managing development in a local area to achieve the local planning vision and objectives. It has an emphasis on the pre-application stage and delivering sustainable development and includes the principles of 'place-shaping'.

Development management policies form part of a local authority's local plan. They are a suite of detailed policies intended to ensure that the vision and objectives set out in the local plan are achieved and helping determine which developments should be granted planning permission where site-specific provisions have not been set out in the local plan.

This audit reviewed the effectiveness of the Council's building control and development management service including testing a sample of 10 Full Plan and Building Notice applications and 12 development management applications (out of a total of 1,205 building control and 1,361 development management applications respectively) to check if the required processes and procedures were adhered to and on a timely basis. This included checking applications to ensure that they had been formally approved and that reference was made, where appropriate, to the relevant policies and procedures, particularly when decisions on planning applications were made. We also determined whether the fees charged for building control and development management were appropriate and in line with the Council's Standard Charges document.

#### GOOD PRACTICE:

We identified the following good practice areas from our audit:

- We assessed a sample of ten building control applications to determine whether they had been appropriately reviewed prior to approval in a timely manner. Within our sample, we noted that all of the applications had received the appropriate level of review within correct timeframes (or extension letters were sent if necessary)
- Should certain aspects of the proposed building work cause concern for those reviewing the application (eg. sewage or environmental works), the Council can provide a conditional approval subject to certain inspections being conducted. Within our sample, where this was applicable, we confirmed that the inspections were subsequently conducted
- We assessed whether the building control applications had been verified to ensure that they comply with the building regulations. We assessed the inspection plan to ensure that the requested inspections were appropriate and had been conducted. No exceptions were noted
- The Council has a dedicated Local Planning Document (LPD) in place which sets out the strategic planning policies to guide and control the overall scale, type and location of development. The plan was adopted in July 2018 and will run through to 2028. The document sets out a set of twelve Aligned Core Strategy Spatial Objectives and against each one, the Council has set out how the LPD will achieve each of these aims
- Policies and procedures with regards to planning and building applications are contained on the Council's website. Furthermore, the LPD contains a set of 71 individual policies which are referred to when planning officers at the Council justify their decisions
- A structure is in place for the Development and Place Team which appropriately outlines the roles and responsibilities for the Development and Place Team. We assessed the qualifications of the Building Control Team and found that each member of the team responsible for inspections held the appropriate qualifications to be able to perform their role
- We assessed a sample of two new street names that were authorised by the Council over the last 12 months and noted that the appropriate fee had been calculated and, in the instance of one of our sample, that appropriate procedures were used to justify why a fee was not charged
- We assessed a sample of planning applications and noted that each of our sample had either been resolved appropriately within the stated time limits (eight weeks for minor works or 13 weeks for major works) or where an extension was required, that this was appropriately applied
- There was adequate oversight of the Development Management Team's performance through dedicated Key Performance Indicators (KPIs) which are reported each quarter to Cabinet.

**KEY FINDINGS:**

During our review, the following findings were noted;

- For our sample of building control applications, we noted that three of the applications did not have the inspection notes completed on the Uniform system (Finding 1 - Medium)
- The Council does not have internal procedural guidance in place for the building control application process (Finding 2 - Low).

**ADDED VALUE**

We reviewed data published by the Department for Levelling Up, Housing and Local Communities in relation to the three quarters from July 2021 to March 2022 and benchmarked the Council's performance against both the national average and two councils in the East Midlands. We identified the following themes in relation to the Council's performance:

- The Council granted approval on 89% of applications, one percent more than the national average during the same time period. For comparison, the two Councils we benchmarked against Gedling Borough Council approved slightly more applications during the time period (91% and 93% respectively)
- The Council decided on 87% of all applications within the required time limits, four percent higher than the national average. The two Councils we used to benchmark performance were below Gedling Borough Council's own metric (63% and 82% respectively) highlighting that the Council is effectively resolving applications within the required time limits.

For more information, refer to Appendix I.

**CONCLUSION:**

We have raised one medium and one low finding with regards to the site inspection notes and formal procedure documentation for applications. Overall, the Council's management of building control and development management is in a strong position. There is an appropriate level of structure in place and the individuals we spoke to clearly understood their roles and responsibilities. Furthermore, a dedicated LDP is in place which sets out the strategic planning policies to guide and control the overall scale, type and location of development. These are clearly referred to when planning officers at the Council justify their decisions.

However, we did note that for three of our building control sample, the inspection notes were not completed within Uniform, however it should be noted that the inspections have taken place for these applications. In addition, while the Building Control Team demonstrated a good understanding of the application process, the Council would benefit from having documented internal procedural notes with regards to the building control process. This would help to reinforce the process and ensure compliance with national regulations. Furthermore, we found that for a select sample of building control applications, there were differences in the quoted fee and the fee that was charged, however management are aware of these differences and have taken appropriate steps to resolve this.

Despite some weaknesses in relation to the design of controls our testing found that the team is operating effectively and benchmarks well compared to national figures. This leads us to conclude that both the control design and effectiveness are Substantial.

## DETAILED FINDINGS

**RISK: SITE INSPECTIONS ARE CARRIED OUT BY OFFICERS WHO DO NOT HAVE SUFFICIENT KNOWLEDGE OF THE BUILDING REGULATIONS AND OTHER ASSOCIATED LEGISLATION RESULTING IN BUILDING WORKS NOT COMPLYING WITH THE BUILDING REGULATIONS**

| Ref | Significance | Finding   |
|-----|--------------|---|
| 1.  | Medium       | <p><b><u>Site Inspections</u></b></p> <p>Site Inspections are required to be carried out as part of the building control process. These occur at the start of the build, during the work and at the end of the work which results in a final inspection and the issue of a completion certificate by the building control team. While the inspections are recommended by the building control team, it is the responsibility of the customer to arrange the relevant inspections. The type of inspections that are carried out depend on the nature of work that is being conducted for the building control application and are carried out by one of three Building Control Surveyors at the Council. The Surveyors can recommend that certain inspections be carried out depending on the nature of the work or if it is required by planning law. Furthermore, should the nature of the work change, then additional inspections can be arranged.</p> <p>We tested a sample of ten building control applications over a 12 month period to determine whether inspections were being carried out and recorded in Uniform. Although in general, evidence is recorded on Uniform that these inspections are being conducted and they are being done by qualified individuals, we found three cases where the inspection notes were not maintained in the Uniform system. The Head of Development and Place and the Principal Building Control Officer informed us that all three related to the same individual and that they were aware there was an issue with regard to the individual using the system effectively, rather than the inspections not being carried out.</p> <p>Should the inspection notes not be completed or of sufficient detail, there is a risk that unsafe buildings are being signed off by the Council and/or that the Council cannot adequately justify its decision making due to a lack of documented information. Not maintaining documentation is also one of the areas that the Local Government and Social Care Ombudsman would review if complaints were made about this.</p> |

### RECOMMENDATION:

Management should ensure that the inspection notes for building control applications are completed and uploaded to the Uniform system. These should highlight what was conducted during the inspection, if the appropriate work has been conducted and whether any issues or concerns were raised in addition to any other items that the Building Control Surveyors wish to include. Support and training for the Uniform system should be provided for the user to ensure that the inspection notes are completed within Uniform going forward.

### MANAGEMENT RESPONSE:

The recommendation is fully supported and further training and support is currently being provided to the relevant Building Control Officer.

Responsible Officer: Jeremy Barlow, Principal Building Control Officer

Implementation Date: 30 November 2022

## DETAILED FINDINGS

RISK: APPLICATIONS RECEIVED BY THE COUNCIL ARE NOT ADEQUATELY REVIEWED BEFORE THEY ARE APPROVED, RESULTING IN INAPPROPRIATE BUILDING DESIGNS OR WORKS

| Ref | Significance | Finding  |
|-----|--------------|--|
| 2.  | Low          | <p><b><u>Procedural documentation</u></b></p> <p>Whilst the Council has extensive public-facing guidance notes and information around building control and development management on its external website, there are no internal procedural guidance notes available to staff to document the processes, timelines and responsibilities of roles relating to building control and development management.</p> <p>The Council's Development and Place Team are responsible for processing planning applications using their planning system, Uniform. Applications will be received via a written letter, an email or through the planning portal. When the application is submitted, the Technical Assistant to the Building Control Team processes the application and allocates it to a relevant Building Control Officer to review. The application is checked to ensure that it complies with the relevant building regulations, in particular the 2010 Building Regulations. Should certain aspects of the proposed building work cause concern for those reviewing the application (eg. environmental or structural concerns) the Council can provide a conditional approval subject to certain inspections being conducted (without these inspections the Council cannot sign off the application).</p> <p>While the members of the Building Control Team demonstrated a good understanding of the necessary regulations, staff would still benefit from having procedural documentation for the building control process.</p> <p>In the absence of documented guidance for staff reviewing and assessing building control applications, there is a risk that the applications are not adequately reviewed and/or that if staff members were to leave the Council, they may take specific knowledge with them making it difficult for others to complete their role</p> |

### RECOMMENDATION:

Management should introduce procedural guidance for managing the building control and development management processes. This should include, but not be limited to;

- Procedures that a building control/development applications should go through from submission to approval
- Roles and responsibilities within the team for each part of each process
- What should be recorded in the Uniform/other relevant systems
- Expected timeframes for each part of the process
- Outlining the regulations and other appropriate criteria that should be referred to when reviewing applications, how this should be done and how it should be documented.

**MANAGEMENT RESPONSE:**

It is accepted that procedure documentation may be useful, particularly for new administrative staff. Most of the processes within the service are however dictated by statute and appropriate management arrangements are in place to ensure that procedures are followed. This is therefore considered to be a 'Low' significance recommendation. It would not be possible to deliver within existing budgets in the short/medium term, if current performance is to be maintained and other service plan actions delivered.

Audit Comment: We note that the Council accepts the risk of not implementing this action.

## OBSERVATIONS

### BUILDING CONTROL FEES

#### Building Control Fees

Fees are required to be collected before a building control application can be processed. This is usually conducted as part of the application submission. If an incorrect fee has been provided at application submission or no fee has been provided, then an application cannot be processed.

As part of our testing for building control applications, we assessed whether the correct fees were charged for the work as prescribed within the Building Control Standard Charges sheet. Within our testing, the following was noted:

- **2021/0527** - The fee sheet Excel document showed a £380.32 cost whereas a £317 fee was charged. This application has been subject to amendments in the nature of the work being done and thus an increased fee was required. The fee sheet Excel document was amended in June 2022 with the updated fee to be paid at the completion of the work. A note was included within the relevant file on the Uniform system
- **2021/0349** - There was a difference of £8.45 in the fee calculated and the fee that was paid - Although there is a difference in the fees, this is dependant on the nature of the work conducted and the calculated fee. Furthermore the Clerical Assistant informed us that the Council uses the fee schedule rather than the inspection plan as the basis for the fees which the fee charged is in line with the fee schedule
- **2021/0339** - There was a £40 overpayment from the customer on the Uniform system. The customer has been informed of the overpayment and a note has been left on the Uniform system to remind the Building Control Team of the overpayment.

This is not being raised as a recommendation as these are trivial areas of the building control application process that the Building Control Team are aware of and are in the process of resolving, however this has been flagged for the awareness of management.

### INTERNAL KPIS

#### Internal KPIs

As part of our assessment on the KPIs, we looked at the reporting provided to Cabinet in July 2022. While the Percentage of Minor planning applications processed within eight weeks was slightly lower than the expected target (Performance: 82% against an annual target of 86%), it was noted that this was due to the overall number of cases per officer and demands upon the service remaining high due to Covid-19 having a knock on effect on the service.

This is not being raised as a recommendation due to the reasons stated above and that nationally the Council is performing above the national average with regards to planning applications, however this has been flagged for the awareness of management.

**STAFF INTERVIEWED**

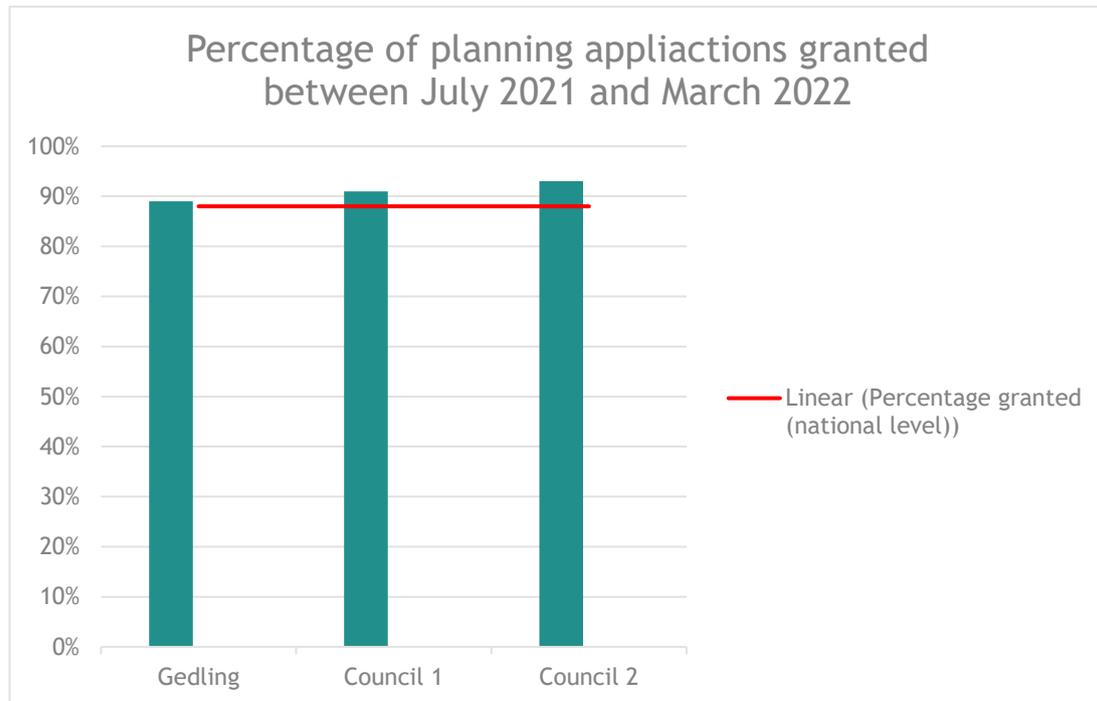
BDO LLP APPRECIATES THE TIME PROVIDED BY ALL THE INDIVIDUALS INVOLVED IN THIS REVIEW AND WOULD LIKE TO THANK THEM FOR THEIR ASSISTANCE AND COOPERATION.

| Name             | Job Title                             |
|------------------|---------------------------------------|
| Mike Avery       | Head of Development and Place         |
| Nigel Bryan      | Principal Planning Officer            |
| Kevin Cartwright | Principal Planning Officer            |
| Jeremy Barlow    | Principal Building Control Officer    |
| Chris Russell    | Spatial Data Manager                  |
| Pam Woodhouse    | Clerical Assistant - Building Control |

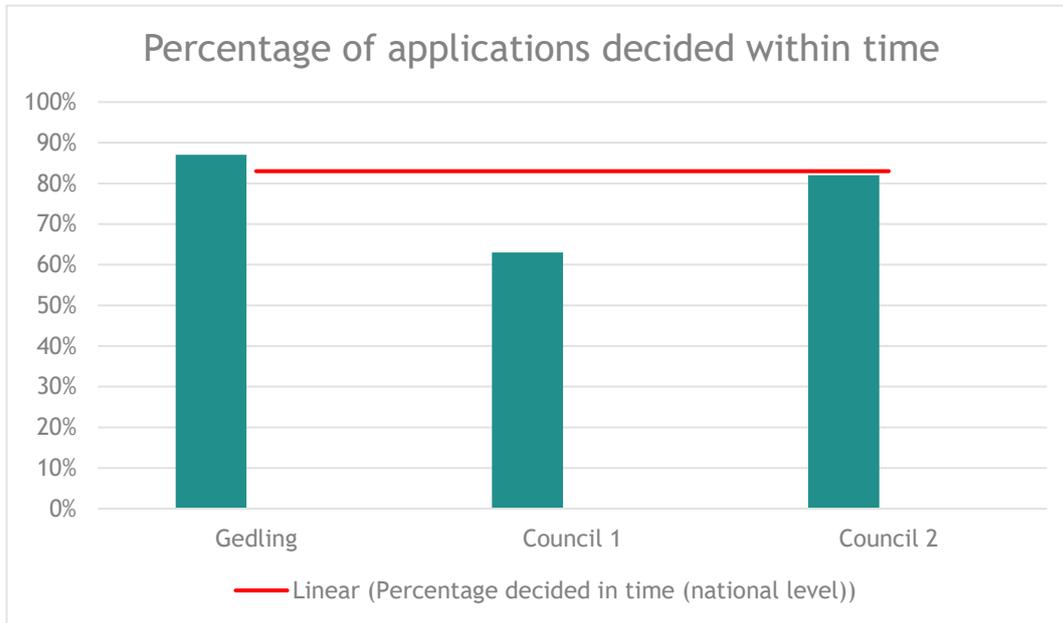
## APPENDIX I - BENCHMARKING

### COMPARISON OF THE COUNCIL'S PERFORMANCE FOR PROCESSING PLANNING APPLICATIONS TO THE AVERAGE OF ALL LOCAL PLANING AUTHORITIES

#### Percentage of Council applications granted



This table shows the number of planning applications granted approval between July 2021 and March 2022. While the Council has approved more than the national average over the same time period (89% and 88% respectively), this was slightly less than the two Councils that we benchmarked the Council against (91% and 93% respectively). While the number of approved applications is slightly lower than the comparison Councils, they are still broadly in line with the national average.

**Percentage of applications decided within time**

This graph shows the number of applications decided within the required time limits (eight weeks for minor building works and 13 weeks for major building works). The Council has resolved more applications in time when compared to the national average (87% compared to 83%). By comparison, the two Councils we used to benchmark the Council's performance resolved 63% and 82% of applications within time respectively.

| APPENDIX II - DEFINITIONS |  |  |   |  |
|---------------------------|--|--|---|--|
| LEVEL OF ASSURANCE        | DESIGN OF INTERNAL CONTROL FRAMEWORK   |  | OPERATIONAL EFFECTIVENESS OF CONTROLS   |  |
|                           | FINDINGS FROM REVIEW   | DESIGN OPINION   | FINDINGS FROM REVIEW  | EFFECTIVENESS OPINION  |
| Substantial               | Appropriate procedures and controls in place to mitigate the key risks.  | There is a sound system of internal control designed to achieve system objectives.                       | No, or only minor, exceptions found in testing of the procedures and controls.  | The controls that are in place are being consistently applied.                                     |
| Moderate                  | In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.                                   | Generally a sound system of internal control designed to achieve system objectives with some exceptions. | A small number of exceptions found in testing of the procedures and controls.   | Evidence of non compliance with some controls, that may put some of the system objectives at risk. |
| Limited                   | A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.                                       | System of internal controls is weakened with system objectives at risk of not being achieved.            | A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.   | Non-compliance with key procedures and controls places the system objectives at risk.              |
| No                        | For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework. | Poor system of internal control.   | Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework. | Non compliance and/or compliance with inadequate controls.   |

| RECOMMENDATION SIGNIFICANCE |  |
|-----------------------------|--|
| High                        | A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.  |
| Medium                      | A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action. |
| Low                         | Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.  |

## APPENDIX III - TERMS OF REFERENCE

### PURPOSE OF REVIEW:

The purpose of our audit is to review the Council's compliance with the Building Control Regulations and development management policies.

### KEY RISKS:

- Applications received by the Council are not adequately reviewed before they are approved, resulting in inappropriate building designs or works
- Building works do not comply with the Building Regulations
- Site inspections are carried out by officers who do not have sufficient knowledge of the Building Regulations and other associated legislation resulting in building works not complying with the Building Regulations
- The Council are unable to collect the appropriate or required level of fees required for building control works
- Development management policies and procedures have been developed without consultation and approval and are not in place or up to date leading to these procedures not being aligned with the Council's core priorities, particularly sustainable environment and vibrant economy.
- Policies and procedures (including the street naming and numbering policy) are not in place or are not up to date. Policies and procedures are not aligned to the Council's core priorities, particularly sustainable environment and vibrant economy.
- Governance structures are not in place/team capacity is inadequate to ensure the timely processing of planning applications
- Planning applications are inadequately identified and/or are not processed within statutory time limits
- Management performance information presented to Boards/Committees is inadequate to provide effective monitoring and/or scrutiny.

## SCOPE OF REVIEW:

The following areas will be covered as part of this review:

### Building Control:

- Review applications to ensure they have been appropriately reviewed prior to approval/acceptance
- Determine if site inspections were carried out to ensure that works comply with the Building Regulations prior to issue of completion certificates
- Determine whether the correct fees were received by the Council in accordance with its published Scheme of Charges.

### Development Management:

- Review the strategies, policies and procedures in place supporting the effective operation of development management
- Review a sample of planning applications and assess whether they were processed within statutory time limits
- Review governance structures within the relevant teams
- Review the management information produced and confirm sufficient levels of monitoring.

## APPROACH:

Our approach will be to conduct interviews to establish the controls in operation for each of our areas of audit work. We will then seek documentary evidence that these controls are designed as described. We will evaluate these controls to identify whether they adequately address the risks.

We will seek to gain evidence of the satisfactory operation of the controls to verify the effectiveness of the control through use of a range of tools and techniques.

## CRR REFERENCE:

7. Failure to react to changes in legislation

**FOR MORE INFORMATION:**

**Gurpreet Dulay**

Gurpreet.Dulay@bdo.co.uk

The matters raised in this report are only those which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

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