Monthly Progress Report of the Crown Manager to the
Christchurch City Council

6 September 2013

Purpose

1. This report provides a progress update, as required by the Crown Manager's Terms of Reference, on the programme of work in the Crown Manager's Action Plan for improving the Christchurch City Council's (the Council) building consent processes and decisions.

2. The next progress report will be provided by 15 October 2013.

Background

3. The Crown Manager's Action Plan was provided to the Minister of Local Government, the Minister for Canterbury Earthquake Recovery and the Minister for Building and Construction on 15 August 2013. Following which, the Minister of Local Government wrote to the Crown Manager setting out specific outcomes, goals and milestones to be achieved. This report reflects these.

Immediate actions

Improve the Council’s demand forecasting systems and resources

4. The purpose of this action was to review existing Building Consent Authority (BCA) forecast systems and methodology and to develop a system to better predict demand. The new system would be easy to use and could be updated by the Council on a regular basis, with minimal resource.

5. The Council's demand forecasting system is now largely in place and the first quarterly forecast is expected to be completed within the next two weeks. The forecasts draw on data provided by the Canterbury Earthquake Recovery Authority (CERA) (using data from insurance companies, Project Management Offices (PMOs) and others), the Christchurch City Development Unit (CCDU), Fletcher Earthquake Recovery and the Ministry of Business, Innovation and Employment (MBIE).

Increase building consent processing capacity and clear backlog

Initiatives

6. Initiatives are underway to reduce the number of existing building consents already in the system. This includes contracting out a proportion of building consent processing to reduce the workload on Council staff. The consents being considered to contract out include...
residential TC1\(^1\) (Technical Category) and TC2 with a value over $50,000. These parameters are being assessed with the view to increase the consents contracted out to include selected TC3 work.

**External processing of consents**

7. On 22 August 2013, one of the Crown Manager’s team addressed delegates at the Building Officials Institute New Zealand (BOINZ), Senior Building Officials Forum in Wellington. The purpose was to seek assistance from other BCAs around New Zealand to process building consents on behalf of Christchurch.

8. An information pack has been produced for BCAs and external contractors that are registering interest in supporting the Council’s building consent function. The information pack explains the Council’s requirements and expectations within the contract while also providing details of the training the BCAs would receive in order to process the consents remotely.

9. To date an additional 11 BCAs have registered their interest in assisting the Council’s building consenting function. It is anticipated that an average of 150 consents per week will need to be contracted.

**Schedule 1(k) exemptions**

10. Schedule 1(k)\(^2\) process training for administration staff occurred at the end of August and went live. Currently some seven Schedule 1(k) applications per day are being received by the Council. Extra resource is being prioritised in this area.

**Building inspection processes**

11. Short-term measures are being considered to enable the building inspection process to be more efficient. This includes streamlining the booking system and reducing the number of inspections needed for certain types of buildings.

12. In addition, a suitable place for inspectors to meet and hold meetings is also being investigated. Currently, the inspectors do not have a place to meet on a regular basis for meetings and training. Options may include the establishment of a Port-a-Com with suitable facilities for inspectors including docking stations for their inspection tablets and lunch room facilities.

\(^1\) The three technical categories (TC1 (grey), TC2 (yellow) and TC3 (blue)) describe how land is expected to perform in future earthquakes, and also to describe the foundation systems most likely to be required in the corresponding areas.

\(^2\) Schedule 1(k) provides for a discretionary exemption where the Council considers that building consent is not necessary for the purposes of the Building Act 2002 in particular circumstances.


**Trends**

**Building Consents**

13. Reporting services from the Connect system\(^3\) have not been developed enough to enable the full suite of reports required to service performance indicator (KPI) and Council reporting requirements. This work is being done urgently by technical specialists.

14. In July, the Unit received 893 building consent applications. On average this equates to some 39 consents per day. For the 12 working days in August, 423 consent applications were received. This is an average of 35 consents per day.

15. In July, 737 building consents were granted resulting in an increase to the backlog of 156 consents\(^4\). In the August period there have been 314 consents granted.

**Building Inspections**

16. In July, 3336 building inspections were completed. This averages 145 inspections per day. There is an average five day delay for a building inspection. Five new inspectors have recently joined the Unit.

**Code of Compliance**

17. In July, 494 Code of Compliance Certificates were issued. This averages 22 per day. In the August period, 403 Code of Compliance Certificates were issued, an average of 34 per day. Recent process changes and realignment of work has resulted in significant improvement in this area.

**Ensure all technical staff are assessed against the National Competency Assessment framework**

18. A contract with Holmes Farsight is currently being negotiated to provide competency assessment services. A competency assessment schedule for 2013/2014 has been developed and the competency assessment programme is currently ahead of schedule. Competency assessment is required to be done annually for each technical staff member.

**Undertake a technical audit of building consents to ensure consents are compliant with the Building Act 2004**

19. MBIE staff undertook an audit of consents issued by the Council in July 2013. The outcome of this audit was that no safety concerns with the building work proposed in the issued building consents were identified. However, procedural and legislative inaccuracies were observed. These inaccuracies are being addressed through the programme of work set out in the Crown Manager’s Action Plan.

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\(^3\) The Council’s pathway system for tracking work.

\(^4\) Any consent held in the system is considered backlog and not just those over 20 processing days.
Implement an audit regime that complements the requirement of the BCA Accreditation regulations for competency assessment

20. The contract currently being negotiated with Holmes Farsight to provide competency assessment services includes provision of forward focused technical audits of consent processing and inspections. It is expected that a contract will be finalised by the first week of September, with work commencing shortly afterwards.

Conduct a further technical audit to ensure building consents that have been issued comply with the requirements of the Building Act 2004 and the Building Code

21. Work is being undertaken to obtain remote access to TRIM (the Council’s document storage system). This will allow staff from MBIE to randomly select and review issued consents prior to Government intervention. Once remote access has been organised, terms of reference for the audit will be developed for the Crown Manager.

By the end of 2013

Implement reporting processes that align with the Council’s Performance Framework

22. A temporary reporting tool has been implemented to provide high level visibility of processes, trends and targets. This provides the management team with the ability to review down to an individual application level. It will provide business intelligence information to support resource and workload planning. This work will feed into the performance reporting framework used by the Council.

23. To enable accurate reporting from the Council’s Connect system, a business analyst from within the Council is currently assessing the business needs associated with the delivery of the Units long term reporting solution. This is part of the BCA accreditation requirements. The Information Technology Unit has prioritised this work.

24. The building control reporting parameters have also been amended to comply with defined statutory requirements.

Review the operating model, systems and processes adopted by the BCA and develop and implement, where appropriate, streamlined policies, processes and systems

25. The loss of accreditation will result in IANZ reviewing the entire BCA functions, systems and processes and assessing their effectiveness against the BCA Regulations. The Crown Manager’s technical team, in conjunction with the BCA management and Quality Improvement team, will review the current operating model and develop, document and implement system and process improvements. These will fall into four broad process categories:

- building consent application;
- consent evaluation;
- inspections; and
- final approval.

26. The system and process improvements will be based upon best practice and introduce a number of fundamental practices (e.g. introduction of commercial and residential risk based consenting; introduction of a streamlined Group Home Builder process; and introduction and piloting of consent processing and inspection digital technology)

**Trial a regional digital, online building consent application, processing and inspection system**

27. The intent of this action was to initiate a project to trial a web-based digital building consent application, processing and inspection system across the four Canterbury BCAs (Christchurch City Council and Selwyn, Hurunui and Waimakariri District Councils).

28. The first Alpha training session for Council staff was undertaken on 26 August 2013. The Stage 1 pilot commenced 2 September 2013, trialling the processing of three consents over the week.

**Ensure the implementation of the ‘GoGet’ electronic inspection system**

29. The GoGet Project Manager is preparing a phased delivery options paper for the implementation of GoGet. This paper will be submitted to the next GoGet Steering Board meeting on 3 September 2013.

**Ensure the prioritisation of building control related information technology projects**

30. Weekly meetings with the Chief Information Officer at the Council have been set up to ensure prioritised projects are on track and risks are raised and mitigated early.

**Review the organisational structure of the Building Consent Unit**

31. A review of the structure of the Council’s building control functions is underway. Meetings have been held with key building control managers and other relevant senior staff as well as discussions with Auckland Council and Wellington City Council senior building control management on how they organise their building control functions.

32. Key issues identified through these interviews and analyses include:
   - the lack of a clear point of accountability for the performance of the building control functions, with a resultant lack of clear leadership;
   - disaggregation of building control functions across multiple teams in the council;
• having sufficient and appropriate resources to satisfy the BCA’s responsibilities to meet current and forecast demand;
• the operation of the shared services model for administration support that aims to provide flexible and efficient administrative support does not, in some cases, provide for sufficient specialisation; and
• the need to free up core building officer and management time and allow them to focus on core building control business.

33. A number of other issues have also been identified that relate more to matters of culture, systems or processes. These have been passed on to the Crown Manager for action.

34. On 5 September 2013, a discussion document on how the Council’s building control and related functions might be structured in future was made available to staff on the Council’s intranet. The Crown Manager also held a meeting with staff the same day to speak to the contents of the discussion document.

35. Work looking at the structure of building control functions will be done in phases. Due to the size and complexity of the council’s operations, and the desire to seek feedback on the high level issues, principles and a possible future structure, the discussion document deals with issues and possible structures as they relate to the first two or three levels of management only. A subsequent phase will address proposals for more detailed staff structures, once the future management structure is examined and resolved.

36. The aim of any structural change will be to facilitate the move towards a more customer focused culture in the Building Consent Unit

**Customer Advisory Group**

37. On 28 August 2013, an establishment meeting for the Customer Advisory Group (CAG) was held. This group will be made of people from the construction industry representing various fields of view (such as engineers and construction firms). It will meet on a regular basis and will be an opportunity to build real relationships with actual customer decision makers.