Action Plan
15 August 2013
Doug Martin, Crown Manager

Introduction

On 15 July 2013, Doug Martin was appointed Crown Manager to the Christchurch City Council (the Council) as a result of International Accreditation New Zealand (IANZ) withdrawing their accreditation to issue building consents. This was after a long documented history of issues relating to the quality and speed of the Council’s building consent processes and decisions under the Building Act 2004 and related regulations.

Under section 258D(4)(a) of the Local Government Act 2002, the Crown Manager has the power to direct the Council to act to address the issues, and they must comply with the directions and any reasonable requests to provide any relevant information that the Council holds (section 258D(6)). The Crown Manager does not replace the councillors or Council management. The Council also retains legal liability for any and all operations while the Crown Manager is in place.

As required by the Crown Manager’s Terms of Reference, an action plan has to be developed to ensure that the Council has the correct systems and processes in place to enable the Council to be reaccredited as a Building Consent Authority (BCA).

The Crown Manager has formed a small team consisting of technical staff from the Ministry of Business, Innovation and Employment (MBIE) and analysts from the Department of Internal Affairs (DIA). The Crown Manager will also draw on resources from within the Council and contract in specialist knowledge and skills where needed.

Performance Improvement Initiatives

The Crown Manager started his role at the Council by holding over 60 one-on-one meetings with Council managers and key stakeholders to identify issues and opportunities for performance improvement. In addition, 12 workshops were held with Council staff. The key findings from this identification phase will be summarised in a discussion document that will be available to staff at the end of August 2013. They have informed the development of the Action Plan.

The action plan sets out a programme of work for performance improvement initiatives that aim to make the Council an exemplar in the delivery of building consent services. The programme covers all aspects of the operation of the Building Consent Unit:

1. The decision making framework, with a particular focus on the implementation of risk-based decision making.
2. The systems and processes that support decision making, and the opportunity to streamline them.
3. The skill sets, competency and staffing required to effectively and efficiently deliver building consent services, having regard to projections of the level and pattern of demand.
4. The structuring of the Building Consent Unit, having regard to the need to deliver and end-to-end service to customers.
5. The culture and supporting behaviours that will be required for the Building Consent Unit to deliver an efficient and effective service for customers.

The effective delivery of performance improvement initiatives will position the Council well for achieving accreditation in 2014.

The Action Plan is structured according to: immediate actions required; actions delivered by the end of the year; and actions by the end of 2014.

**Immediate actions**

**Improve demand forecasting and resources**

Review existing BCA forecast systems and methodology and develop a system to better predict demand.

The system is to be set up so that it is easy to use and can be updated by the Council on a regular basis, with minimal resource.

Future demand for earthquake related consents is to be estimated using data provided by a number of external agencies such as insurance companies, Project Management Offices (PMOs), group home builders¹ and government project coordinators, and through analysis of internal Council indicators such as resource consents.

Data from external agencies is being collected by Canterbury Earthquake Recovery Authority (CERA) and MBIE. These agencies will be the primary source of data for the Council estimates. Future demand for "business as usual" consents will be based on analysis of historical trends, adjusted for the impact of the earthquakes.

Using the estimates of future demand, the forecasting system will determine the expected numbers of building consent staff (both front and back office) that will be required to process the building consent volumes. This will take into account the complexity of the workload, which drives the seniority and competency of staff required, as well as the ability to contract work out to other accredited agencies in times of peak demand.

**Increase consent processing capacity and clear backlog**

For the next month, the Crown Manager’s team is focussed on stabilising existing consent numbers. This will be done by reducing existing consents already in the system, exempting low-risk work, increasing external contractor resource and workload, and implementing the group home builder’s project. A working group will

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¹ The Group Home Builders project is an initiative by MBIE to trial an existing online application and processing system that would allow councils in Canterbury region to access processing resource more efficiently and effectively. It will also provide benefits to group home builders by providing only one application and processing system regionally rather than the multiple council systems currently in place.
then be formed consisting of staff from the Crown Managers team and from within the Council to develop a long term solution to the consenting process.

**Complete competency assessments**

All technical staff will be assessed against the National Competency Assessment framework and all assessment results, and continued professional development training programmes will be appropriately recorded. This is a fundamental BCA accreditation requirement.

**Undertake a technical audit**

On 11 July 2013, the Minister for Building and Construction announced that the Crown Manager would undertake a wider technical audit of building consents following an earlier audit by MBIE staff to ensure consents are compliant with the Building Act 2004. It is proposed to implement an audit regime that equates to, and complements, the requirement of the BCA Accreditation Regulations\(^2\) for competency assessment.

Competency assessment requires the observation of the work undertaken by all technical individuals, including processing of consents, inspection of building work and certification of buildings. It will include a technical check of the plans and specifications approved for consent. This audit will be undertaken by an independent external consultant who will make a decision on the individual’s competency level.

The coverage of the audit regime would include all building types, with several consents checked for each individual employee (or building control official). It would amount to several hundred technical audits per annum and would eliminate the need to undertake a separate technical audit.

**By the end of 2013**

**Unit reporting processes will align with the Council’s strategic planning processes**

*Implement reporting processes that align to the organisation’s Performance Framework.*

Performance targets and budgets are set by elected members, in conjunction with the community, through Long Term Plans and Annual Plans. In the case of consents this naturally includes statutory targets.

The Building Consent Unit has not been reporting against the performance targets set by elected members. Staff in the future will be required to work to these performance targets.

**Streamline building control functions**

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

It is intended to implement risk based consenting processes, as far as practicable, that have been indicated by MBIE through the amendments made in 2012 to the

\(^2\) Building (Accreditation of Building Consent Authorities) Regulations 2006
Building Act 2004. These will consist of developing systems and processes that will cover low risk building work, standard residential construction and large commercial construction.

The systems and processes developed for low risk building work will build upon existing legislation allowing council to exempt the requirement to obtain a building consent through Schedule 1(k) of the Building Act. This will provide an approval process for applicants who will provide assurance that the proposed building work would comply with the Building Code, but would not require inspection due to the involvement of experts in the design and construction.

Standard residential construction through group home builders and the associated consenting processes will be reviewed and streamlined where appropriate, to allow for the use of standard materials and details, and recognise the input of Licensed Building Practitioners (LBPs) in the design and construction. Parameters will be placed around the use of this process to ensure the appropriate outcomes are achieved, including auditing and inspection focused on critical aspects of construction, such as structure and weathertightness. It is also intended to trial both a digital online consenting and inspection process and a variation to the MBIE multiproof service.

Commercial risk based consenting will be achieved through a wider participation and earlier inclusion of the relevant parties to ensure appropriate outcomes are achieved before an application for a building consent is applied for. The process will include risk identification and mitigation processes, agreement on risk assessment requirements and a streamlined process through the consenting system. It will also ensure that the appropriate skilled individuals (such as engineering expertise) focus on critical aspects of design and construction.

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

*Initiate a project to trial a web based digital building consent application, processing and inspection system (Alpha) across the four Canterbury BCAs, i.e. Christchurch City Council and, Selwyn, Hurunui and Waimakariri District Councils.*

Selwyn District Council (SDC) currently uses Alpha for granting consents, managing inspections and completing Code Compliance Certificates (CCC). Selwyn has a contract arrangement with Professional Building Consultants (PBC). PBC has noted that by utilising the Alpha system they are saving approximately one hour per consent processing before granting the consent. We are proposing to trial the Alpha system across the Canterbury region.

The trial would be initially limited to Group Home Builders and selected contracted building control processors such as PBC. Once initial testing has been completed, it is anticipated to extend the access to the Alpha system to other Building Consent Authorities contracted to support the Christchurch BCA.

The trial will also provide valuable proof of concept analysis data for the National Online Consenting System development and implementation currently being initiated by the Ministry of Business, Innovation and Employment (MBIE).

**Ensure implementation of the GoGet Inspection System**

The Council initiated a project in April 2012 to implement an electronic inspection regime. The implementation of the selected system called “GoGet” has been delayed
due to other council priorities. As this allows inspectors to carry out their work more effectively and efficiently, it will now be prioritised within the IT programme of work.

**Ensure prioritisation of building control related Information Technology Projects**

The Crown Manager's team is working with the Council's Information Technology department to ensure the appropriate prioritisation of building control related IT requirements, system developments and enhancements for the Council's regulatory and document management systems.

**Review the Organisational Structure**

Building consenting is an end-to-end process and it is important that the organisation structure of the Building Consent Unit supports the delivery of an integrated service. Options for structuring the Building Consent Unit will be specified and assessed against standard organisation design criteria. This will involve the preparation of three documents:

1. **Discussion document** – specifies and analyses at a high level different options for structuring the Building Consent Unit. This will be released to staff and feedback sought.
2. **Consultation document** – this will specify in detail the preferred approach to structuring the Building Consent Unit and provide the basis for formal staff consultation.
3. **Decision document** – feedback from the consultation will be considered and any changes to the preferred approach made. This will be incorporated in a formal decision document that will set out a detailed implementation plan and timeline.

**Culture**

The culture of the Building Consent Unit will need to become more customer focussed and the desired behaviours that support this culture will be specified.

To facilitate this, a Customer Advisory Group (CAG) will be formed from a group of representatives from the building and construction industry. They will be asked about their perceptions, opinions, beliefs, and attitudes towards the building consenting services and the performance of the Building Consent Unit. They will also advise the Building Consent Unit management on industry trends, business priorities, and strategic direction.

**End of June 2014**

**IANZ accreditation**

Only registered BCAs may perform building consenting and inspection functions. Although the Council has lost its accreditation, it has not lost its registration. Therefore it can still legally issue consents.

The Crown Manager has made it clear from the beginning that the accreditation process will not be rushed and will happen once the performance initiatives are implemented.

The Crown Manager has had an initial discussion with IANZ and they support this approach. This is because, as part of the accreditation process the Council must demonstrate they have:
• appropriate policies, systems and procedures in writing and record how it ensures that it implements these; and
• it must record the key decisions it makes, the reasons for them, and the outcomes and actions of those decisions.

The Council will therefore need time to demonstrate that it satisfies the accreditation requirements. The Crown Manager, the Council and IANZ will work closely together on this.