

Corporate Directorate
Legal and Democratic Services
Please ask for: Melanie Phillips
Telephone: 01530 454511
Fax: 01530 454506
E:Mail melanie.phillips@nwleicestershire.gov.uk

Date: 20th September 2010

Dear Councillor

JOINT SCRUTINY COMMITTEE

During the meeting of the Joint Scrutiny Committee held last Monday evening there were a number of requests for additional information which I have listed below.

- Evidence that the Council Delivery Plan comprised the VfM timetable and was seen by Scrutiny Members. [Appendix A]
- Details of the business rates payable on the existing building and Stephenson's College [Appendix A]
- A breakdown of the £500k running costs of the existing building [Appendix B]
- A breakdown of the service transformation savings and impact on performance [Appendix C]
- The costs of the Council's assets [Appendix D]

It was also agreed that a meeting of the Scrutiny Commission should be convened to consider the merits of holding another meeting of the Joint Scrutiny Committee and, if so what the remit and scope of that meeting should be. Should the Commission, which will meet on Tuesday 21st September 2010, agree that another meeting is necessary, I will be in touch to advise you of the details and to send more information which the Commission feels will be required for that meeting.

I hope you find the enclosed information useful and would be pleased to assist should you have any further questions or queries.

Regards

Melanie Phillips
Democratic Services Manager

VfM Timetable

The Value for Money [VfM] timetable is set out on pages 14-21 of Volume 2 of the Council Delivery Plan which was considered by Joint Scrutiny on 9th March 2010 and was sent to Members with the agenda.

Extract of the Minutes of the meeting of Joint Scrutiny held on 9th March 2010.

COUNCIL DELIVERY PLAN 2010/13

The Corporate Director introduced the report to members, explained the purpose and structure of the Council Delivery Plan, outlined the four priority areas which had been identified for the forthcoming year, and referred to the Value for Money Programme as outlined in the report.

The Corporate Director invited general questions from members.

In response to questions, the Corporate Director advised that the anticipated level of budget savings was in the region of £750,000 per annum for the next three years. He explained that the budget savings proposals were based on no increase in the Council Tax base and a probable reduction in income from government grants.

In response to questions, the Director of Environment outlined the arrangements and responsibilities for off and on street parking enforcement, and agreed to circulate further information to members regarding the associated costs and income.

Members were then asked to form four discussion groups, each based on key priority areas, and asked to comment on all discussion topics.

Members were asked to consider if they were broadly in agreement with the priorities and outcomes, if they felt there was anything missing, and if there were any items that were a priority for scrutiny.

When the committee regrouped following the discussion time, the lead officers summarised the feedback on each priority area.

The Corporate Director gave the following feedback in respect of the Value for Money priority:

- There was strong support for cleanliness as a priority.
- The need for better procurement, and the need to concentrate on the needs of vulnerable communities was supported.
- Members felt there was a need for a better system for dealing with customer feedback, and better communication with other agencies.
- Members felt we should always be providing value for money.
- Members felt there was a need to explain in more simple terms what would happen in respect of funding and resources.
- Members felt there was a need for clarity around quality and standards.

The Director of Community gave the following feedback in respect of the Pride in my Community priority:

- Concerns were expressed regarding reducing financial resources and the impact upon continuing development.
- There was a strong agreement that the Council should continue to work in partnership, and continue to work towards securing external funding.

- Members felt there was a sense of duplication regarding crime and antisocial behaviour, and felt that clarity was needed on how we tackle antisocial behaviour and provide service standards to customers.
- There was agreement regarding a continuing focus on housing matters and maximising the levels of investment in tenants homes.
- Members identified the operation of private sector housing improvement grants and disabled facilities grants as a priority issue for scrutiny.

The Director of Environment gave the following feedback in respect of the Green Footprints Challenge priority:

- Members were broadly in agreement with the priority areas and outcomes.
- Concerns were expressed regarding measuring CO2 emissions.
- Members felt there was a need consider trade waste and recycling improvements, and engaging with businesses to reduce packaging.
- Members identified litter picking arrangements and noise controls at East Midlands Airport as priority issues for scrutiny.

The Director of Environment gave the following feedback in respect of the Coalville's Changing priority:

- Members were broadly in agreement with the priority areas and outcomes.
- Concerns were expressed about the concentration on Coalville, and it was felt that there should be some reference to other towns.
- It was felt that there should be more events, in particular, themed events, and the people of Coalville should be asked what events they would like to take place.
- Members agreed there was a need to focus on dealing with empty properties, particularly in the town centre.

The Senior Scrutiny Officer reported that members had identified the following as priority issues for scrutiny:

- Antisocial behaviour.
- Implementation of policies.
- Engaging with other levels of government.
- the Local Development Framework process.
- Coalville's Changing.

RESOLVED THAT:

- a) The key actions within the Council Delivery Plan be received and noted.
- b) The comments made be referred to Cabinet for consideration.

NNDR - Council Offices

The Council currently pays £112,474.19 NNDR for the year 2010/11.

The Valuation Office would need to provide an accurate figure for a new build but this is based on the size of the building and would be less than the Council is currently paying.

This is the detailed breakdown of the running costs of the current Council Offices including the actual costs from 2007/8, 2008/9, 2009/10 and the forecast for 2010/11

Cost Centre:		0210					
Description:		PUBLIC OFFICES					
				2007/08	2008/09	2009/10	2010/11
				actual	actual	actual	forecast
							@ period 5
EMPLOYEES							
	Wages - Cleaners			33,894	33,882	31,824	32,120
	Wages - Caretakers			19,297	35,457	39,038	40,800
	Wages - Tea ladies			21,171	6,521	-6	0
	National Insurance			3,011	2,483	2,613	4,470
	Superannuation			8,593	6,451	5,052	14,150
	Allowances			648	399	540	680
	Training			71	156	107	170
	Employee Advertising			47	0	0	0
	Redundancy			0	8,515	0	0
	Employee Insurances			948	684	509	690
	Professional Fees**			0	0	0	4,050
	Retirement & Long Service Awards			602	767	0	0
	Added Years Pension			0	5,026	0	0
	Agency Staff			2,614	2,889	0	350
	Salaries			0	0	0	24,410
				90,895	103,230	79,677	121,890
PREMISES							
	General Repairs			53,191	33,116	34,559	45,000
	Internal Decorations			1,297	994	0	5,000
	Asset Protection			13,126	614	39,868	0
	Lifts & Escalators			470	380	322	450
	Routine Grounds Maintenance			21,328	19,487	19,490	21,350
	Electricity			49,009	64,082	54,382	45,980
	Gas			15,231	21,827	13,685	18,020
	NNDR			116,550	121,275	88,008	110,010
	Water Charges (Metered)			8,882	7,866	7,037	7,500
	Security (Internal)			370	137	0	0
	Fire Precaution Appliances			1,174	811	747	650
	Security Fixtures			6,415	5,079	4,831	5,000
	Fixed Plant Operational			2,475	0	0	0
	Energy Display Certificates			0	1,057	360	360
	Consumable Cleaning Materials			5,164	4,572	0	0
	Window Cleaning			2,450	2,100	1,750	1,750
	Recycling Initiatives			5,879	2,908	1,493	1,500
	Refuse Collection Charge			2,332	2,493	2,649	2,330
	Fire Insurance			10,701	6,537	5,660	5,240
				316,043	295,334	274,839	270,140
SUPPLIES & SERVICES							
	Earmarked Reserve Expenditure			7,669	0	0	2,330
	Cleaning & Domestic Equipment			6,875	5,477	10,195	8,370
	Operational Equipment			0	0	0	20

Service Transformation - Savings and Improvements

Service	Saving	Performance Impact
Alternative methods of payment	£75,000 Salaries/staffing costs - £68996.13 cash in transit - £1267.10 Protective clothing - £600.00 Service contracts - £1716.83	<ul style="list-style-type: none"> • Post Office/Paypoint service has been extremely popular with our customers: 67,500 Transactions since its introduction £5.6 million collected • The number of customers using the service is continuing to increase, currently transactions have increased by 34% since the Cash Office closed, customers are choosing to use this facility. • Postal Cheques received by the Council: Decrease of 33.5% saving the authority time and money in processing, also means customers are paying through more cost effective methods for the Council • Bounced Cheques: decrease of 37.12% saving the authority additional money in bank charges
Performance	£33,230 Saving from Head of Service -£66,520 Cost - Performance Officer - £33,290 Total saving £33,230	<ul style="list-style-type: none"> • Performance Reports are being received quicker by members (Cabinet now usually receive performance reports in under 8 weeks rather than 12). • Council Delivery Plan delivered more efficiently (it went to Council prior to the 31st March this year). • Performance Planning Process complimented by officers • Work load reduction in front facing services as they no longer have to enter their own information on TEN.
Procurement	£27,000	• Printing – through OGC tender – no impact
	£55,000	• Reduction in the cost of agency staff used through using a framework rather than ad hoc purchasing – no impact
	£12,120	• Through purchasing energy on a flexible tender –no impact
	£1,350	• Change in Car suppliers for leasing arrangements – positive impact for staff as it reduced the tax implications
	£13,000	• Savings through purchasing lap tops through OGC contract – no performance impact
	£26,625	• Reduction in costs of energy performance certificates for housing – no impact
Legal and Democratic	£23,000 Via the deletion of current posts and the courier post	<ul style="list-style-type: none"> • The review improved overall performance and addressed efficiencies in the following areas: <ul style="list-style-type: none"> ○ standards function; ○ scrutiny; ○ parish liaison; and ○ member support and development
A shared Equalities Service	£18,000 income through the provision of service to others	• Service not yet implemented, but anticipate improved performance due to increase in capacity across all Districts
A shared Communications Service	£52,950	• Through the deletion of vacant and temporary posts and sharing of management and specialist expertise. The service is still in its early stages however the indications are that neither authority has perceived a drop in performance. All preset deadlines are being achieved and developments are continuing e.g. the Council Website.
Shared resource for Sports Development	£10,000	• There was no noticeable impact on performance and added value was achieved through the transfer of knowledge and good practice – this arrangement will cease in October due to a requirement for more capacity from the partnering authority.
Shared resource for Legal Services	£5,600	• Income from Charnwood on work that we have undertaken on their behalf. There has been no performance impact.
Shared resource the Older Persons Service	£25,000 Savings from salary	• Full impact still being assessed, however this was for a trial period. Performance suggests so far that it has been successful and will continue.
Total	£377,875	

Council Asset Value – Disposal Plan

There are a number of Council assets that the Property Services team are currently reviewing in terms of disposal, these valuations are all subject to market fluctuations but provide outline figures:

Highfield Street Depot

The depot site at Highfield Street is now a vacant site and is in close proximity of Coalville Town Centre and this site has good development potential. No alternative Council uses for the land have been identified. The site has strong potential for housing development and this is the use that is likely to deliver the best outcomes for the Council, other potential uses may come forward during the marketing process. Advice has been sought from Commercial Agents that have recommended marketing the site from January 2011 onwards as the timing of this will facilitate the Council achieving the best value for this asset.

Risks:

- Potential reduction in capital receipt depending on the market conditions
- Reduction in the level of interest in this site
- Speed of sale

Book value Highfield Depot £614,500

North Avenue – Hugglescote

The land is currently used for garaging, car parking and recreational purposes, a small number of garages are subject to short term lettings, the remainder are derelict. Property Services have advised that this site is currently in a dilapidated condition and would require considerable investment to become fully operational. An Asset Challenge on the land has been conducted by the Asset Management Group, it is recommended that the site be offered as a development opportunity for social housing, private sector affordable housing for sale or a mixture of the two. Advice has been sought from Commercial Agents that have recommended marketing the site from January 2011 onwards as the timing of this will facilitate the Council achieving the best value for this asset.

Risks:

- Level of interest in this site as a development opportunity
- Speed of sale
- Achievement of the current valuation

Book value North Avenue, Hugglescote £400,000*

*North Avenue is part HRA land so the Council will not keep all of the capital receipt

Cropston Drive – Coalville

The Council has a substantial land holding at Cropston Drive and has been revalued in light of recent market conditions and the level of demand for a site of this nature. This is an open field site and highly suitable for development and would be attractive to the private sector in favourable economic conditions. At present the site is used for recreational purposes and community access. There are no long term operational plans for the land. Given that the value of the land has fallen significantly over the last 12 months it is unlikely that maximum value will be obtained for the land at present and the Asset Management Group concluded that this land should be held for investment purposes to release at a later date. An annual revaluation of the land would be undertaken to monitor the movement in potential sale value.

Book value - Cropston Drive £ 4,478,000

On the sale of any land the Council would invest the capital receipt until such a time as the Council decides to utilise the money elsewhere.