

SCRUTINY

23 May 2016

REPORT OF THE REVIEWING THE COSTS OF EFFICIENCIES WORKING GROUP

Responsible Officer **Liz Reeves, Head of Customer Services**

RECOMMENDATION(S):

- **Areas of land for sale should be promoted by Members at Parish Council Meetings.**
- **A pricing structure for services that could be sold, for example to town and parish councils, local charities and small businesses be put together and actively promoted.**
- **Assets such as the Town Halls (Tiverton and Crediton) to be used to maximise income, either by sale, rent or by joint development as they are assets that could generate income.**
- **Conditions of service to be reviewed to consider amending terms and conditions regarding sickness benefits for new employees.**
- **Management information to show long and short term sickness figures.**
- **That staff be incentivised to put forward business ideas and suggestions that could be taken forward to generate income and that some form of reward scheme be put in place.**
- **That the authority becomes less risk adverse and encourage new ventures.**
- **That Scrutiny undertake a review on the effect of price rises on the Leisure Service, based on appendix 1.**

1 Introduction

At a meeting of the Scrutiny Committee held on 13 July 2015 it was agreed that a Working Group be set up following discussion regarding performance indicators, sickness levels, areas of work that had not been completed despite being agreed by Councillors and the impact of redundancies. Members considered that these pressures could put the Council at risk. It was agreed that the group needed to look at the past, present, future of cuts and their impact.

2 The problem

At a meeting of the Group the Head of Finance gave an overview of the situation since austerity measures began. He explained that during that period the formula grant had dropped from £6.2m to £3.7m, a reduction of 40%. Despite this the authority was still providing 'business as usual'. If inflation was added to this the savings were even greater.

Large savings had been made from a range of measures including the Enesco Project off-setting utility spend, solar panels on the roofs of housing had generated profit, cuts had been made to grants, reduced management team, savings in grounds maintenance and restructures in Finance and Legal Services.

3 The Issues

At the first meeting of the Group the following areas were identified as being of concern:

Asset Management

Staff sickness

Partnership Working

Income Generation and Innovation

3.1 Asset Management

The Property Services Manager was asked to report to the Group and he outlined the assets of the authority, explaining that it was responsible for £14m of assets.

He presented the draft asset plan which set out how the authority would manage land and properties. This was reviewed by CSAG (Capital Strategy Asset Group) which was a group of Members and Officers.

He stressed the importance of property assets meeting the needs of the Corporate Plan and that it was essential to ensure that adequate business facilities were provided.

As an example of work being carried out the officer gave information regarding the public conveniences at Lowman Green. These were in the process of being converted into a restaurant and would be leased for 10 years. Another example was a commercial building in Birchen Lane where planning consent had been obtained for conversion into affordable flats. Other assets were being looked at with regard to providing an income.

The importance of maintaining and improving properties as an asset was discussed, for example the leisure centres which needed to be well maintained and up to date in order to generate income.

The Enesco Project had generated an income stream and Property Services continue to keep up with cost saving innovations such as LED lighting.

The officer listed the variety of properties owned by the authority such as housing, Market Walk, parks and open spaces, depots and car parks. He explained that information regarding all assets was stored on a database which was maintained by Local Land Charges and Estates.

Plans were also needed for any assets that were or could become a liability – The officer explained that in the short term the depots for waste and recycling were functional and practical but in the longer term efficiencies could be found if the depots were combined on one site. Grounds Maintenance and Housing Services could share a site if a large enough one was found but their current depots did not have a large value and the efficiencies saved would not be significant.

Odd bits of land – the group discussed various plots of land around the District which have no use to the authority and could be sold on to neighbouring householders. It was agreed

that Members should actively promote this at Parish Council Meetings to encourage people to approach the council with regard to purchase.

It was **AGREED** that areas of land for sale should be promoted by Members at Parish Council Meetings and that assets such as the Town Hall (Tiverton and Crediton) needed to be used to generate money, if there was a value should be sold or jointly developed as they were assets that could generate income. This needed to be fair across the district.

3.2 Staff Sickness

The Head of Human Resources was asked to update the Scrutiny Committee regarding staff sickness. This was an agenda item for the Committee on 22 February 2016.

It was **AGREED** that sickness reporting within the authority did not provide enough detail. Short term and long term sickness needed to be separated. Current terms and conditions provided sick pay from day one. It was proposed that terms and conditions should not be changed for existing staff but that contracts could be changed for new staff.

3.3 Partnership Working

Cllr Rosamond had investigated a funding stream through the LGA where expertise could be drawn in to look at income generation. Funding for 2015/16 had already been used as part of the project for sharing IT with North Devon. Further funding had become available and the CE was making an application regarding Planning.

3.4 Income Generation and Innovation

Cllr Binks had visited the leisure centres as a Zest member. She suggested that the car parks were an under-utilised facility that could generate an income. It was **RECOMMENDED** that the Scrutiny Committee investigate the potential charging for car parking at leisure Centres. At a Scrutiny Meeting on 21 March the CE confirmed that officers would take this into consideration.

Leisure Services

Cllr Binks made several comments regarding income generation for the Leisure Service which are at appendix 1.

3.5 Business Forum

Cllr R Evans had, at the request of the Group, attended a meeting of the Tiverton Business Forum. Cllr Evans had given the message that the Council was looking to work in partnership with other companies and that it had a wealth of knowledge to share in areas such as Health and Safety and Human Resources as well as an established Property Maintenance team and Grounds Maintenance Unit. Nothing was forthcoming from this meeting but Cllr Evans agreed to discuss it with the cabinet Member for Planning and Regeneration to see if there was a way forward.

3.6 Officer Suggestions

The Head of Customer Services informed the Group that she had mentioned this at Management Team and that it had been agreed that this matter would be discussed at Senior Officers Forum. It was generally agreed that it would be beneficial to reward staff for

ideas that they put forward and that officers should be encouraged to think in a 'can do' manner rather than 'can't'.

Suggested questions to staff were:

- Are we working as efficiently as we can?
- Can we increase income?
- What services can we reduce?

It was **AGREED** that a recommendation to the Scrutiny Committee be that staff be incentivised to put forward ideas and suggestions for business ideas that could be taken forward to generate income, that the authority become less risk adverse and that some form of reward scheme be put in place.

3.7 Staff Working from Home

Economies that could be made if staff worked from home were discussed. Officers responded that this could free up office space, could be more productive and save on travel time but the costs of providing equipment, if a feature of their job could impact on house insurance. Discussion took place regarding potential problems with home working including communication, staff feeling left out and a reduction shared knowledge.

4 The View of the Customer

Members agreed that there was a need to benchmark services to find out how they were being received. The Membership of the Council were asked to survey their local Parish Councils to find out if any changes had been noted. The following questions were asked?

Since austerity began the formula grant paid to this Authority from Central Government has reduced by 40%. The authority has endeavoured to continue with 'business as usual' wherever possible but inevitably cuts have had to be made.

Could you please let us know;

- How you feel about the current level of services provided by Mid Devon District Council:
- If you have noticed a reduction in the services provided in recent years; and if so, please provide details and the impact this has had. Please give an example:
- What services you consider to be poor;
- What services provided are good.

The survey flagged the following as areas of concern:

- Electronic Planning (paperless)
- Planning Enforcement
- Communication.

There was general praise for the waste and recycling service.

An email was sent to all parishes, thanking those that had responded to the survey and informing them that the results showed concerns in the above areas. Parishes were informed that the Working Group would be raising these concerns with the appropriate services.

5 Conclusion

As a result of these meetings and presentations from officers the recommendations on page 1 have been put forward.

The Working Group would like to thank the officers who helped with this for their time and 'open' comments.

APPENDIX 1

Cllr Binks made the following comments:

- When members of Community Well Being PDG voted recently for a 30% reduction in discount to Zest 60+ in 2016, were they aware this would mean an immediate increase from £200 -£240 pa to £302pa for Zest membership which offers access only between 9am-5pm?
- This 50% increase was made with little advance warning to users and without consulting the Lords Meadow Leisure Centre Users' Panel. Why?
- The increase in State pensions during this time has been £4 PW maximum and many users need to budget expenditure on a weekly basis and cannot afford to pay in advance.
- Most customers on MTB (Means Tested Benefits) use the Pay as you go (PAYG) charges for the gym and these prices have risen from £2.50 per session to £4.80 per session - nearly twice as much - resulting in some users having to cut back from two weekly visits to one single visit.
- The impact of this increased charge could have been softened by extending the time frame to 8am-6pm for use of the Centre.
- Are members aware that present membership charges include unwanted activities that many users do not use, such as dry side activities, court use and sauna, yet they do not have option to choose just gym and swimming or yoga and swimming?
- We need a simpler membership structure that does not include unwanted activities which are 'junked in' to boost its offering.
- The opportunity to renew at current prices was not offered to all existing Zest members, which is partial and unfair.
- Are members aware of the financial benefits to the Centre of annual payments made up front or by 12 monthly direct debit instalments, even though average annual usage is about eleven months? Do we have figures monitoring the actual attendance over 12 month period?
- Are members aware of the public health benefits of the Leisure Centre in helping an ageing population maintain fitness levels through active lives and social relationships? Many of them meet up socially in the coffee shop after class and spend money which keeps this facility going throughout the day for all users.
- Are they aware that between 9am - 4pm the centre is used mainly by less affluent groups such as parents with small children under 5, shift workers, unemployed, GP referrals and retirees of 60+ who keep it ticking over?
- Are members aware that no discount is given during the 2 week Christmas/New Year closure period and during the Easter break?
- Are members aware that all users of Monday classes are affected adversely because they are cancelled on 3 Bank Holiday Mondays pa without compensation to Zest 60+ users (early May, spring and summer)?
- Are members aware that inadequate staff cover for sickness and planned holidays or courses means that lessons are cancelled from time to time, without compensation being offered - often without enough notice to save a wasted journey? (Examples can be given.)

Recommendations

- Monitor Trends and usage by Groups: We need careful monitoring of trends in visits to gym, classes and pool by all age groups, including young people, so as to identify gaps to fill and target groups through regular emailing of special offers and events.
- Value for Money: We need to improve our service offering to give better value, if charges are to be increased.
- Simplify Structure: We need to simplify the structure of membership so people only pay for classes they want to use.
- User Panels: We need to respond to User Panels through regular meetings with their representatives.
- Better Collaboration: We need to increase our offering of flat rate and subsidised activities and classes by increased collaboration with groups like Active Devon, Drink Wisely, Age

Well et al, who are keen to support certain target groups like young parents, 60+ and health referrals.

- Public Health: We need to work with local GP practices and Health Centres to facilitate the use of 'on prescription' classes to Customers on MTB with health issues.
- Better Customer Experience: We need to offer better customer service through cleaner changing rooms, toilets and showers: answering telephone calls: responding to online enquiries: being able to cancel classes online as well as booking them: better information about special offers, events such as Active Devon support.
- Monitor use by Means Tested Benefits users: We need to re-examine the prices of PAYG activities to everyone on Means Tested Benefits. A price increase rise from £2.50 to £4.80 per gym session to customers on discretionary MTB rates is not fair and will discourage use and lead to lower fitness levels in this group.
- Auto Renewal: For everyone who can afford to pay up front or pay by direct debit, we need to eliminate income lost by 'void' months through agreed automatic renewal of membership. Failing that, to automatically generate reminders to customers to renew membership by email, letter or personal contact - even offering a free swim or gym pass for a friend as an incentive. I have never been contacted to renew my membership in the last 15 years and so I often leave it for a couple of months - as a result, the centre loses an income stream and a customer for a short while. It all adds up to a need for better customer care and customer engagement.