

CABINET
Monday, 8th June, 2009

Place: Council Chamber, Civic Offices, High Street, Epping

Time: 7.00 pm

Democratic Services Officer: Gary Woodhall (The Office of the Chief Executive)
Email: gwoodhall@eppingforestdc.gov.uk
Tel: 01992 564470

Members:

Councillors Mrs D Collins (Leader of the Council) (Chairman), C Whitbread (Finance & Economic Development Portfolio Holder) (Vice-Chairman), R Bassett, M Cohen, Mrs H Harding, Mrs M Sartin, D Stallan and Ms S Stavrou

**PLEASE NOTE THE START TIME OF THE MEETING
THE COUNCIL HAS AGREED REVISED PROCEDURES FOR THE OPERATION OF
CABINET MEETINGS. BUSINESS NOT CONCLUDED BY 10.00 P.M. WILL, AT THE
DISCRETION OF THE CHAIRMAN, STAND REFERRED TO THE NEXT MEETING OR
WILL BE VOTED UPON WITHOUT DEBATE**

1. WEBCASTING INTRODUCTION

- (a) This meeting is to be webcast;
- (b) Members are reminded of the need to activate their microphones before speaking; and
- (c) the Chairman will read the following announcement:

"I would like to remind everyone present that this meeting will be broadcast live to the Internet and will be capable of subsequent repeated viewing, with copies of the recording being made available for those that request it.

By being present at this meeting, it is likely that the recording cameras will capture your image and this will result in your image becoming part of the broadcast.

You should be aware that this may infringe your human and data protection rights. If you have any concerns then please speak to the Webcasting Officer.

Please could I also remind Members to activate their microphones before speaking."

2. APOLOGIES FOR ABSENCE

3. DECLARATIONS OF INTEREST

(Assistant to the Chief Executive) To declare interests in any item on this agenda.

4. MINUTES

To confirm the minutes of the last meeting of the Cabinet held on 20 April 2009 (previously circulated).

5. REPORTS OF PORTFOLIO HOLDERS

To receive oral reports from Portfolio Holders on current issues concerning their Portfolios, which are not covered elsewhere on the agenda.

6. PUBLIC QUESTIONS

To answer questions asked by members of the public after notice in accordance with the motion passed by the Council at its meeting on 19 February 2008 (minute 102 refers) on any matter in relation to which the Cabinet has powers or duties or which affects the District.

7. OVERVIEW AND SCRUTINY

To consider any matters of concern to the Cabinet arising from the Council's Overview and Scrutiny function.

8. ANY OTHER BUSINESS

Section 100B(4)(b) of the Local Government Act 1972, together with paragraphs (6) and (24) of the Council Procedure Rules contained in the Constitution require that the permission of the Chairman be obtained, after prior notice to the Chief Executive, before urgent business not specified in the agenda (including a supplementary agenda of which the statutory period of notice has been given) may be transacted.

In accordance with Operational Standing Order 6 (non-executive bodies), any item raised by a non-member shall require the support of a member of the Committee concerned and the Chairman of that Committee. Two weeks' notice of non-urgent items is required.

9. CONCESSIONARY TRAVEL ON LONDON UNDERGROUND (Pages 5 - 10)

(Finance & Performance Management Portfolio Holder) To consider the attached report (C-001-2009/10).

10. MARKETING EXERCISE - CHURCH HILL CAR PARK, LOUGHTON (Pages 11 - 14)

(Corporate Support & ICT Services Portfolio Holder) To consider the attached report (C-002-2009/10).

11. PARKING ENFORCEMENT ON HOUSING ESTATES (Pages 15 - 22)

(Housing Portfolio Holder) To consider the attached report (C-003-2009/10).

12. LOCAL RECYCLING CENTRES (Pages 23 - 26)

(Environment Portfolio Holder) To consider the attached report (C-005-2009/10).

13. EXTERNAL REVIEW OF THE ESTATES AND VALUATION SERVICE (Pages 27 - 46)

(Corporate Support & ICT Service Portfolio Holder) To consider the attached report (C-007-2009/10).

14. EXCLUSION OF PUBLIC AND PRESS

Exclusion: To consider whether, under Section 100(A)(4) of the Local Government Act 1972, the public and press should be excluded from the meeting for the items of business set out below on grounds that they will involve the likely disclosure of exempt information as defined in the following paragraph(s) of Part 1 of Schedule 12A of the Act (as amended) or are confidential under Section 100(A)(2):

| Agenda Item No | Subject | Exempt Information Paragraph Number |
|----------------|---|-------------------------------------|
| 15 | Springfields Improvement Scheme – Quarterly Progress Report | 3 |

The Local Government (Access to Information) (Variation) Order 2006, which came into effect on 1 March 2006, requires the Council to consider whether maintaining the exemption listed above outweighs the potential public interest in disclosing the information. Any member who considers that this test should be applied to any currently exempted matter on this agenda should contact the proper officer at least 24 hours prior to the meeting.

Confidential Items Commencement: Paragraph 9 of the Council Procedure Rules contained in the Constitution require:

- (1) All business of the Council requiring to be transacted in the presence of the press and public to be completed by 10.00 p.m. at the latest.
- (2) At the time appointed under (1) above, the Chairman shall permit the completion of debate on any item still under consideration, and at his or her discretion, any other remaining business whereupon the Council shall proceed to exclude the public and press.
- (3) Any public business remaining to be dealt with shall be deferred until after the completion of the private part of the meeting, including items submitted for report rather than decision.

Background Papers: Paragraph 8 of the Access to Information Procedure Rules of the Constitution define background papers as being documents relating to the subject matter of the report which in the Proper Officer's opinion:

- (a) disclose any facts or matters on which the report or an important part of the report is based; and
- (b) have been relied on to a material extent in preparing the report and does not include published works or those which disclose exempt or confidential information (as defined in Rule 10) and in respect of executive reports, the advice of any political advisor.

Inspection of background papers may be arranged by contacting the officer responsible for the item.

15. SPRINGFIELDS IMPROVEMENT SCHEME - QUARTERLY PROGRESS REPORT (Pages 47 - 50)

(Housing Portfolio Holder) To consider the attached report (C-006-2009/10).

Report to the Cabinet

Report reference: C-001-2009/10

Date of meeting: 8 June 2009



**Epping Forest
District Council**

Portfolio: Civil Engineering & Maintenance

Subject: Concessionary Travel on London Underground

Responsible Officer: Bob Palmer (01992 564279)

Democratic Services Officer: Gary Woodhall (01992 564470)

Recommendations:

To agree the recommendation from the Overview and Scrutiny Committee that no approach should be made to Transport for London to seek to negotiate some form of travel concession on the Underground for residents.

Executive Summary:

At the meeting of the Overview and Scrutiny Committee on 16 April Members recommended to Cabinet that no approach should be made to Transport for London to negotiate any additional travel concession for residents at this time. Cabinet are now asked to consider that recommendation and the following report that was used by the Overview and Scrutiny Committee to reach their decision.

The Epping Forest District is unusual, but not unique, in having Underground stations within its boundaries. This means that holders of a Freedom Pass can travel free to and from Epping but residents of this district cannot travel free into London. Many residents perceive this to be unfair, particularly if they live close to either an Underground station or the border with a London Borough.

The Freedom Pass Scheme cannot be extended to cover this District and any similar concession would be prohibitively expensive. However, if Members wanted to pursue a more limited scheme, an approach could be made to Transport for London (TfL) to negotiate some form of concession. Before any such negotiations can take place a clear instruction is needed from Members on the scope of any proposed concession.

The Cabinet decided on 9 March to enter into an agreement with Essex County Council under which Essex County Council has taken over the strategic administration and co-ordination of the bus pass scheme. This agreement has fixed the amounts payable by Epping Forest District Council for the 2009/10 and 2010/11 financial years.

Reasons for Proposed Decision:

The decision is in accordance with the recommendation from the Overview and Scrutiny Committee.

Other Options for Action:

There are a number of options for action and firstly Members must decide whether any approach should be made to TfL. If Members decide an approach should be made, the other options to consider concern the scope of any concession, for example:

- (i) What zones should be included?
- (ii) What times should be included?
- (iii) What qualifying criteria should be applied to residents wanting a pass? and
- (iv) How much should residents be asked to pay for a pass?

Report :

1. In response to a petition from a number of residents wanting an extension to the Freedom Pass Scheme, on 17 February 2009 Council resolved:

(a) That this Council asks the Overview and Scrutiny Committee to recognise the real benefit to local people including those in the Grange Hill Ward of introducing free London Underground passes for residents in the District aged 65 years and above, to include the Central Line to Epping; and

(b) That the Overview and Scrutiny Committee be requested to establish a Task and Finish Panel to ensure that the review is completed without delay.

2. At the meeting of the Overview and Scrutiny Committee on 5 March 2009 Members decided not to establish a Task and Finish Panel but to ask for a report on the feasibility of free London Underground passes for district residents aged 65 and over. After that meeting a number of Councillors asked to meet with the Portfolio Holder for Civil Engineering and Maintenance to ensure their views could be included in any report. Before detailing these discussions some additional information is provided below to properly set the context for consideration of the issues.

Current Travel Concession Available to Residents Aged 60

3. The 2006 Budget announced that the statutory minimum for concessionary schemes was to be extended to free off-peak local bus travel anywhere in England from 1 April 2008. At the Cabinet meeting of 14 April 2008 it was decided that the benefits to be provided to pass holders in the district should exceed those set out in the National Scheme. The National Scheme has a start time of 9.30am and does not include companion passes; the scheme within this district has a 9am start and offers companion passes.

4. This enhancement to the previous scheme, which just allowed free bus travel within Essex, means residents can travel free into London on TfL busses. The new scheme has proved very popular with residents as the number of passes in issue has increased from 10,500 to 16,000, which represents approximately 60% of residents entitled to a pass.

5. The strategic administration and co-ordination of the bus pass scheme has been transferred to Essex County Council for 2009/10 and 2010/11. Under the agreement, all districts retain the responsibility for issuing passes and dealing with enquiries from the public. Essex County Council will fund the central administration costs of the scheme and will also fund any increases in costs due to:

- (a) growth in volume of travel for the mandatory element of the scheme and for the discretionary extensions of the scheme to 09:00 & the issue of companion passes;
- (b) inflation for the mandatory element of the scheme and for the discretionary extensions of the scheme to 09:00 & the issue of companion passes;
- (c) additional Capacity Costs; and
- (d) extraordinary payments required as a result of Appeals or Judicial Reviews that are incurred in relation only to those years for which the agreement is in force.

6. By fixing the District's contributions to a central pool, this agreement has considerably reduced the financial risk until the end of March 2011. At that point it is anticipated that the government will pass the administration of the National Scheme to either a national body or a small number of regional bodies. This change will involve another re-working of the grant allocation formulae and this Council has not always benefited from such changes.

Previous Concessions Operated with Transport for London

7. The Council has previously operated a concessionary travel scheme with TfL. Going back to 2004/05 and earlier, passes were available for £20 that gave half fare travel on tubes and buses. Tube travel was limited to Stratford and bus travel to Stratford in one direction and Enfield in the other. TfL charged the Council £90 per pass and only 190 were in issue.

8. This scheme had to change in 2005/06 as TfL withdrew half fares on busses, so the concession was amended to offer free bus travel and half fare tube travel. In line with the increased benefit TfL raised the charge to £144 per pass and the charge made by the Council to users was raised to £30. Residents clearly viewed the amended concession as better value for money as the number of passes in issue increased to 700.

9. A further change was necessary in 2006/07 as TfL radically changed the fare structure and introduced the Oyster card. It was now possible to do a single journey in zones 2-6 for £1 with Oyster but the same journey cost £3 using cash. This led to the tube concession being withdrawn as it was not cost effective compared to paying with an Oyster card. Even though the tube element had been withdrawn, TfL increased the charge to the Council to £180 per pass, although the charge to users was held at £30. This increased the subsidy per pass but the lower travel benefit to users reduced take up to 375.

10. The trend of increased subsidy and reduced take up continued for 2007/08. This year saw TfL increase their charge to £190 per pass and numbers issued fell below 300. The new National Scheme brought an end to the TfL scheme as residents were now able to travel free on TfL busses without an additional pass.

Freedom Pass Scheme

11. Members had previously been advised that under existing legislation it was not possible for this Council to join the Freedom Pass Scheme. To re-confirm this, the Director of Finance & ICT approached London Councils, who co-ordinate the scheme. The Programme Director for Transport and Mobility confirmed that the scheme is operated under the Greater London Authority Act 1999 and as such it is not possible for this Council to join.

12. The Programme Director highlighted some other issues that he felt this Council should also consider:

(a) Whilst the Council could negotiate a separate scheme with TfL, any scheme would be discretionary and outside the statutory reserve scheme. This means that the Council would have to fund any expenditure and would not benefit from the financial support central government provides for Freedom Passes; and

(b) The five-year passes issued from 1 April 2008 could not be read by Oyster card readers. This means the 16,000 passes in issue would have to either be replaced or if feasible have the Oyster application loaded onto them. The cost of this exercise alone would probably exceed £100,000.

Costs of Freedom Passes

13. Even though the Council could not issue Freedom Passes it is worth briefly considering their costs as doing so provides an indication of the possible costs of any similar scheme. The total cost of the Freedom Pass Scheme in 2008/09 will be £270million for the 1,053,000 passes issued. The charge for each Borough depends on the average use made of the passes issued by them and this produces a range of costs from £242 to £278 per pass.

14. If the Council was to negotiate a pass similar to a Freedom Pass for a cost of £280 per pass and the 26,500 residents over 60 all wanted one the cost would be £7.42million. Given that the Council's precept for 2009/10 is £7.94million, a scheme that closely mirrored the Freedom Pass would clearly not be feasible.

Discussions with Councillors

15. As mentioned above, following the meeting of the Overview and Scrutiny Committee on 5 March 2009 a number of Councillors asked to see the Portfolio Holder for Civil Engineering and Maintenance to discuss possible initiatives. This meeting took place on 27 March and involved District Councillors Bassett (Portfolio Holder), Bateman, Chana and Markham and County Councillor Pond, with the Director of Finance & ICT in attendance. The proposals made are detailed in the table below:

| <u>Proposal</u> | <u>Comments</u> |
|---|--|
| (a) Costs could be contained by only issuing passes to residents in the south of the District. | This would be extremely divisive. Residents in the north are likely to want passes and will object to paying the same Council Tax but being denied a service. |
| (b) Costs could be contained by issuing passes to those over 65 instead of those over 60. This was claimed to remove some 6,000 potential pass holders. | If the figure of 6,000 is correct this would reduce potential costs by approximately 22%. However, a further campaign may then follow from those over 60 but under 65. |
| (c) A joint approach could be made to TfL with other districts in a similar position. | The four relevant districts have been approached and none of them want to participate in a joint approach to TfL. |
| (d) Put an article in the Forester to promote awareness of the fee structure and possible savings available using Oyster cards. | It was felt that many residents are not aware of the system and may be paying more than they need to. |

- | | |
|---|---|
| <p>(e) Allow residents to have a free national rail card as an alternative to a bus pass. In Kent this is seen as a cost neutral alternative and would be likely to benefit at least 500 residents living close to mainline stations.</p> | <p>Bus passes have already been issued to 16,000 users and the costs of the National Scheme are fixed by agreement until 31 March 2011. Therefore, any issue of rail cards would be an additional cost to the Council and even if some residents chose to give up their bus pass no saving would arise.</p> |
| <p>(f) Costs could be reduced by limiting travel so the pass only covered journeys between zones 6 and 2.</p> | <p>Whilst any restrictions on travel would make a scheme cheaper, such restrictions are likely to generate further complaints.</p> |
| <p>(g) Costs could be reduced by requiring users to pay for the passes.</p> | <p>As above, any charge would make a scheme cheaper but would be likely to generate complaints.</p> |
| <p>(h) Have a limited scheme where a loaded Oyster card could be made available to a resident in particular hardship.</p> | <p>This would be difficult to administer in terms of defining and evidencing qualifying criteria. There may also be problems ensuring that any cards issued are only used by the designated recipient.</p> |
| <p>(i) Ask TfL to introduce a scheme offering reduced tube fares for EFDC residents who have bus passes. This would have no cost for EFDC and would be recognition from TfL of the anomaly.</p> | <p>The proposal clearly has merit from an EFDC perspective but it is difficult to see why TfL would want to agree to it.</p> |

Feasibility

16. It is not feasible for the Council to issue Freedom Passes or anything that would closely mirror the benefits provided by them. The costs of any such scheme would be prohibitively expensive and currently the emphasis is on identifying savings not growth items.

17. A more limited scheme could be pursued but any such scheme would fail to satisfy resident's demands and would still represent an additional burden on the budget. If Members wish to pursue negotiations with TfL it is crucial that the proposed format of any scheme is determined before an approach is made to TfL. Entering into vague negotiations about an undefined pass would waste a large amount of time and effort and be unlikely to have any positive outcomes.

Resource Implications:

No resources are included in the Medium Term Financial Strategy for an additional discretionary travel scheme. Any scheme will create growth in the Continuing Services Budget (CSB) at a time when savings are required. If a scheme similar to Freedom Passes were required costs could exceed £7million.

Any additional scheme is likely to require additional staff.

Legal and Governance Implications:

The Freedom Pass Scheme is operated under the Greater London Authority Act 1999 and this prevents non-London Boroughs joining the scheme. Under the Transport Act 1985 the Council could negotiate a discretionary travel concession with TfL.

Safer, Cleaner and Greener Implications:

There are no environmental implications.

Consultation Undertaken:

London Councils have been consulted about the Freedom Pass Scheme.

The Portfolio Holder consulted both District and County Members on their views.

Other districts that either have tube stations inside or close to their boundaries have been consulted on the possibility of joint working on this issue.

Background Papers:

None.

Impact Assessments:Equalities

In determining the qualifying criteria for any additional scheme members will need to ensure that none of the criteria could be seen as discriminatory.

Risk Management

If Members choose to pursue an additional discretionary scheme they could commit the Council to substantial expenditure which may still fail to satisfy resident's demands.

Report to the Cabinet

Report reference: C-002-2009/10

Date of meeting: 8 June 2009



**Epping Forest
District Council**

Portfolio: Corporate Support & ICT Services.

Subject: Marketing Exercise - Church Hill Car Park, Loughton

Responsible Officer: Chris Pasterfield (01992 564124).

Democratic Services Officer: Gary Woodhall (01992 564470).

Recommendations:

That the Director of Corporate Support services, in consultation with the Corporate Support Services and ICT Portfolio Holder, be authorised to re-offer the site on the open market either as a freehold sale or as a long lease agreement and to report the outcome of the marketing exercise.

Executive Summary:

There is currently a buoyant market for supermarket sites and the Council could dispose of the site on a long term lease which has the potential to provide a good investment with a substantial income stream.

Affordable housing at least equivalent to the previous residential scheme could be incorporated into the development.

The provision of a small supermarket would provide a useful local facility which is currently lacking in the immediate area and reinforce the valuable service of the petrol filling station.

Reasons for Proposed Decision:

To ensure that the land asset is developed to its optimum potential to achieve best value from either a free hold sale or a long lease agreement.

Other Options for Action:

To continue to hold the site until the residential market improves.

Report:

1. The Cabinet at its meeting on 12 March 2007 declared this site to be surplus to requirements as a car park. Subsequently Bidwells were appointed as agent by the Council to make a planning application which was given approval on 6 February 2008 for eight 1 bed and two 2 bed flats of which a minimum of 40% must be affordable housing.

2. The Cabinet at its meeting on 10 March 2008 decided to withdraw the site from market and keep under review pending an improvement in the residential sales market. Currently the site is fenced off and is derelict.

3. Interest has been received from two major companies for developing the site as a local supermarket either independently or in conjunction with the adjoining Esso petrol station.

4. The market for supermarkets of all sizes is currently very buoyant with record profits being posted by some operators and most operators looking to expand by acquiring new sites.

5. Initial consultation with the Planning Department has ascertained that there is likely to be no objection for a small supermarket of 3,500 – 5,000 sq ft from local residents and users of the petrol station and that the use would therefore be acceptable and there would need to be sufficient car parking. There would still be a requirement to satisfy the provision of affordable housing and that this could be achieved at first floor level above the retail shop. A further planning application would be required in due course.

6. The adjoining petrol station is seen as a valuable local service for the area and the provision of a small adjoining supermarket would reinforce this use. The nearest alternative petrol station is in The Broadway.

7. The disposal of the site could be structured as an outright sale or the Council could retain a long term interest as freeholder and receive a rental income which may be more advantageous. This income would be reviewed periodically and the investment would grow in value accordingly.

Resource Implications:

Finance:

Generation of capital receipt from freehold sale or rental income from leasehold agreement. Previously the Council has followed a strategy of disposing of surplus land and investing capital receipts. However, interest rates are at an historically low level and are unlikely to increase substantially over the medium term. In the current economic climate entering into a long lease is the best way to generate an income stream. Entering into a long lease will still keep open the option of disposing of the site in the future.

Land:

Best use of Council's Asset in accordance with the Asset Management Plan and generation of income stream in accordance with the Capital Strategy.

Legal and Governance Implications:

Use of Assets in accordance with the Councils strategy as set out in the Asset Management Plan 2007-2012.

Safer, Cleaner and Greener Implications:

Development of a currently derelict site.

Consultation Undertaken:

Expert advice sought from external Surveyors.

Background Papers:

None.

Impact Assessments:

The Council could be criticised by both residents and external auditors for allowing land to remain derelict when a development opportunity exists.

There are no equalities issues.

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Report to the Cabinet

Report reference: C-003-2009/10.

Date of meeting: 8 June 2009



**Epping Forest
District Council**

Portfolio: Housing.

Subject: Parking Enforcement on Housing Estates.

Responsible Officer: Roger Wilson (01992 564419).

Democratic Services Officer: Gary Woodhall (01992 564470).

Recommendations:

(1) That in accordance with Option Four in the report, parking enforcement measures are undertaken on an ad hoc basis where problems are particularly bad, following consultation with local residents and Ward Members; and

(2) That the position be reviewed by the Housing Scrutiny Panel in 2010/11.

Executive Summary:

At its July 2008 meeting, at the request of the Cabinet, the Housing Scrutiny Panel considered a report on the increase in complaints from the public about unauthorised parking on housing estates; these include increased telephone calls, letters and occasionally petitions. The complaints are about two main issues. Firstly, residents are unhappy that more vehicles are being parked on grass verges causing damage to open green spaces. Secondly, in response, when enforcement action is taken by the Council, in the form of installing bollards, jockey rails or shrub planting, other residents complain about having nowhere to park, with cars being displaced into already heavily congested side streets. In addition, officers receive enquiries from Members. Some Members ask that enforcement action be taken to prevent vehicles from parking on grassed verges, with other Members asking officers not to take action as it will displace vehicles and cause problems in side streets.

The Housing Scrutiny Panel asked officers to draft a policy on the approach to be taken on unauthorised parking. The draft policy was considered by the Panel at its meeting on 9 October 2008, and its comments were incorporated. Both Area Housing Managers had concerns that the proposed policy may be difficult to enforce, but as the report had been considered by the Housing Scrutiny Panel and the Housing Portfolio Holder, it was agreed it should be submitted to the Cabinet on 15 December 2008 for consideration. However, prior to the Cabinet meeting, the Housing Portfolio Holder decided that the report should be deferred and referred back to the Housing Scrutiny Panel with officers being asked to consult with other enforcement officers within the Council to seek their views on the policy. The outcome is set out in the consultation section of the report.

The Housing Scrutiny Panel at their meeting on 23 March 2009, considered four options for future action including, fully enforcing unauthorised parking, postponing enforcement in identified priority areas, continuing with the parking enforcement policy or carrying out enforcement measures on an ad hoc basis. The Housing Scrutiny Panel and the Housing Portfolio Holder are recommending to the Cabinet that parking enforcement action (other than placing notices on vehicles or writing to residents) should be taken on an ad hoc basis following consultation with local residents and Ward Members, with the position being reviewed again in 2010/11.

Reasons for Proposed Decision:

Undertaking parking enforcement action on grass verges on housing estates on an ad hoc basis where problems are particularly bad, will ensure that the correct areas are targeted. It will also prevent severe congestion in side streets which would almost certainly occur if enforcement action was taken in all areas.

Other Options for Action:

To take enforcement action, installing shrubs or jockey rails on all grassed areas on housing estates throughout the District.

To apply the draft parking enforcement policy attached as an appendix to the report.

Report:

1. Due to concerns about increased parking problems on housing estates, the Cabinet originally asked the Housing Scrutiny Panel to consider the options for reducing congestion.

Vehicular Crossovers & Off-Street Parking Schemes

2. At its meeting on 1 September 2008 (Minute 60 refers) in order to reduce parking difficulties on housing estates, the Cabinet agreed the following recommendations of the Housing Scrutiny Panel:

(a) That the maximum amount of grassed verge to be removed in order to construct a vehicular crossover to allow residents to park their vehicle/s in their front garden be increased from 6 metres to 12 metres in length with Ward Members being consulted on any crossovers in excess of 6 metres; and

(b) That the additional £300,000 budget available in the Housing Revenue Account (HRA) Capital Programme from 2009/2010 be made available to fund further off-street parking schemes and match funded from the General Fund.

Parking enforcement on Housing Estates

3. At its July 2008 meeting, the Housing Scrutiny Panel considered a report on the increase in complaints from the public about unauthorised parking on housing estates; these include increased telephone calls, letters and occasionally petitions.

4. The complaints are about two main issues. Firstly, residents are unhappy that more vehicles are being parked on grass verges causing damage to the open green spaces, which are costly to repair and can be dangerous to pedestrians and children playing. When, in response, enforcement action is taken by the Council, in the form of installing bollards, jockey rails or shrub planting, other residents complain about having nowhere to park, with cars being displaced into already heavily congested side streets.

5. In addition to receiving complaints from the public, officers receive enquiries from Members. Some Members ask that enforcement action be taken to prevent vehicles from parking on the grassed verges, with other Members asking officers not to take action as it will displace vehicles and cause problems in side streets.

6. The Housing Scrutiny Panel therefore asked officers to draft a policy on the approach to be taken on unauthorised parking. The Draft Policy was considered by the Panel at its meeting on 9 October 2008. The policy was originally going to be submitted to the Cabinet at its December 2008 meeting. However, due to concerns about the policy being inconsistent and difficult to enforce, the Housing Portfolio Holder decided that the report should be deferred and referred back to the Panel and officers were asked to consult with other enforcement officers within the Council to seek their views on the policy. The Draft Policy

was reported back to the Panel on 23 March 2009, when it was re-considered along with the following other options.

Option One – Unauthorised parking is fully enforced

7. If all unauthorised parking on estates was fully enforced, a programme of works could be undertaken on housing-owned grass verges, either installing jockey rails, bollards or the planting of shrubs, which would be costly. Although this would solve the problems of damage being caused to the grassed areas, due to the large numbers of vehicles being parked on grass verges, this would cause further congestion when they are moved to side streets.

Option Two – Postponement of parking enforcement in identified priority areas

8. Any parking enforcement could be postponed in identified priority areas, where off-street parking schemes have been agreed, until the schemes have been constructed, or residents have had the opportunity to construct a new vehicular crossover (particularly under the new 12 metre rule). However, this would take some time and will not address parking problems in all areas. Members would also need to consider the action to be taken in areas which are of a less priority.

Option Three – Continue with the Parking Enforcement Policy

9. The Cabinet could agree the policy previously proposed by the Housing Scrutiny Panel attached as an appendix to the report. The policy was originally going to be submitted to the Cabinet at its December 2008 meeting. However, due to concerns about the policy being inconsistent and difficult to enforce, the Housing Portfolio Holder decided that the report should be deferred and officers were asked to consult with other enforcement officers within the Council to seek their views on the policy. The outcome is set out under the consultation section of the report. In addition, both Area Housing Managers have concerns that the proposed policy may be difficult to enforce for the reasons set out in the consultation section of the report.

Option Four – Carry out enforcement measures on an ad hoc basis

10. Carrying out enforcement measures on an ad hoc basis is the current practice of housing management. Jockey rails or shrubs are installed at sites where the problem is particularly bad and the most complaints are received, following a local consultation exercise.

11. The Housing Scrutiny Panel and the Housing Portfolio Holder recommend to the Cabinet that Option Four would be the most appropriate course of action. Although this is the current policy, it is recommended that in the future, in addition to local residents, Ward Members be consulted on any proposed enforcement action, (other than placing notices on vehicles or writing to residents). In addition, it is suggested that the Housing Scrutiny Panel reviews the position again in 2010/11.

Resource Implications:

Any enforcement action including the installation of jockey rails or shrubs will be from existing resources.

Legal and Governance Implications:

Housing Act 1985.

Safer, Cleaner and Greener Implications:

Parking enforcement in problem areas will improve the appearance of housing estates.

Consultation Undertaken:

The report has been considered and endorsed by the Housing Scrutiny Panel.

The Council's Enforcement Officers have been consulted on the draft parking enforcement policy, but they also see the difficulties with enforcing any policy. Indeed, the two Area Housing Managers responsible for housing management in the north and the south of the District have been consulted on the policy originally proposed and asked that the Housing Scrutiny Panel to consider their concerns which are as follows:

- Any enforcement policy will be difficult to apply, as it is always going to be unclear and difficult to interpret.
- An enforcement policy could be subjective in its application and difficult decisions will need to be made by officers which, as with the current arrangement, some will be in favour and others against.
- When a decision is made, the Council may have difficulty explaining to residents why it is allowed in one area and not another.
- The Council could not allow cars to cause an obstruction, damage grass verges, or cross pavements where kerbs have not been dropped.

The Tenants and Leaseholder's Federation was consulted on the policy at its meeting on 23 September 2008; by a majority of 5 in favour and 2 against they concluded that unauthorised parking on housing-owned grass verges should generally not be permitted across the District.

The Housing Portfolio Holder requested that other Councils be consulted on their approach to parking enforcement. A summary of the responses is attached as an appendix to the report.

Background Papers:

Cabinet Minute 60 1 September 2008.

Reports to the Housing Scrutiny Panel July 2008 & 1 October 2008.

Impact Assessments:

It is not considered that the recommendations would impact upon the Council's statutory duty to promote equality throughout the District. In addition, there appear to be no risk management issues which could result if the recommendations are agreed.

Summary of responses on the approach taken by other Council's on parking enforcement

| Authority | Response |
|--------------------------------------|---|
| Harlow District Council | Do experience problems with parking on estate greens. Ad hoc approach taken some letters sent some vehicles stickered and jockey rails installed at some locations. No formal policy. |
| Brentwood Borough Council | Same approach as Harlow District Council. |
| Uttlesford District Council | Same approach as Harlow District Council, although no parking signs are installed and off street parking schemes have been constructed. They have a Corporate enforcement team who take action against residents who illegally park. No formal policy. |
| Welwyn and Hatfield District Council | Bollards and jockey rails are installed at some locations and they have a bye law which prohibits parking on Council land which is difficult to enforce. No formal policy. |
| Stevenage Borough Council | Have a parking strategy being trialed across half the Borough including a local traffic order prohibiting parking on Council greens which is enforced by parking attendants. Where there are major parking problems parking schemes are being constructed prior to traffic orders being put in place. |

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UNAUTHORISED PARKING ON HOUSING-OWNED GRASSED VERGES

DRAFT PARKING ENFORCEMENT POLICY

1. Generally, the Council will not allow any vehicles to be parked on Housing-owned grass verges or green spaces.
2. However, if the Area Housing Manager assesses that generally, residents in the area are unable to park within 5 minutes walk of their home, enforcement action will not be taken.
3. Where circumstances in paragraph 2 apply, enforcement action will only be taken if one of the following circumstances apply:
 - Where the grassed area is considered to have particular important amenity value.
 - Where non residents park their vehicles on grass verges.
 - Where residents/non residents park heavy vehicles whose gross unladen weight is 2 tonnes or more.
 - Where residents/non residents park caravans, boats or commercial vehicles.
 - Where the Council has already constructed an off-street parking scheme.
 - Where residents/non residents are parking vehicles on pedestrian footpaths.
 - Where vehicles are overhanging footpaths, pavements or causing an obstruction.
 - Where access is gained crossing a lay-by or where there is no dropped kerb.
 - Where there is potential to cause damage to trees or shrubs.
 - Where it is generally considered to be unsafe.

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Report to the Cabinet

Report reference: C-005-2009/10

Date of meeting: 8 June 2009



**Epping Forest
District Council**

Portfolio: Environment.

Subject: Local Recycling Centres.

Responsible Officer: Qasim Durrani (01992 564055)

Democratic Services Officer: Gary Woodhall (01992 564470)

Recommendations/Decisions Required:

- (1) That in view of their usage and popularity the 21 District Recycling Centres be retained at a cost of £3,000 per annum for annual maintenance;**
- (2) That in view of their declining usage and the extensions to kerbside recycling services the 30 Local Recycling Centres be decommissioned with a revenue saving of £10,000 per annum; and**
- (3) To consider whether to return the net £7,000 CSB saving to the general fund or to retain it pending an investigation into the feasibility of providing a kerbside collection scheme for textiles**

Executive Summary:

The Council manages a total of 51 recycling centres in the District. There are two types of recycling centres, District Recycling Centres (DRC) and Local Recycling Centres (LRC). DRC are larger sites, with the larger recycling banks, such as commonly seen in shopping areas and town centres. They offer a wide range of recycling facilities. LRCs are smaller sites, using large wheeled containers and are commonly located in communal areas and provide for a more limited range of recyclable materials, predominantly glass, cans and paper.

The DRCs remain popular with users and are worthy of continued support. However, some of the DRCs are now old and are in need of around £3,000 of investment.

With the continued investment in the kerbside collection schemes, LRC usage has declined over recent years. Given the costs associated with the operation and maintenance of these schemes there is a strong argument for their withdrawal. This would not materially affect overall recycling performance, but would result in a saving of £10,000 to the continuing services budget.

The net saving of £7,000 could either be returned to the general fund as a saving, or it could be retained with a view to the possible provision of a kerbside textile collection service.

The decision to discontinue Local Recycling Centres is a key decision, a total of 30 LRCs are located at various locations within the District.

Reasons for Proposed Decision:

The Council now offers door step collection for all of the materials collected at 27 of the 30 Local Recycling Centres (glass, cans, paper and plastic), the remaining 3 offer textile collection which is currently not offered at the door step. It appears that residents prefer to use their door step collection service rather than take recyclables to a local recycling centre, and the falling tonnage collected at these centres confirms this.

There will be a financial saving to the Council by discontinuing the local recycling centres which can contribute towards the cost of introduction of a new kerbside textile collection service, which will be an enhancement to the current kerbside collection services.

Other Options for Action:

If the Local Recycling Centres are to be maintained then an additional one off sum of £15,000 is required to carry out repair and upgrade works and a further £3,000 a year for ongoing maintenance.

Report:

Recycling Centres:

1. The Council has historically provided recycling centres in the District to enable residents to deposit their recyclables in communal containers for collection. This service was introduced back in the 1990s when the Council only provided a limited kerbside recycling collection service. .
2. There are two types of recycling centres, District Recycling Centres (DRC) and Local Recycling Centres (LRC). DRCs are larger sites, with the larger recycling banks, such as commonly seen in shopping areas and town centres. They offer a wide range of recycling facilities. LRCs are smaller sites, using large wheeled containers and are commonly located in communal areas and provide for a more limited range of recyclable materials, predominantly glass, cans and paper.
3. There are 21 DRCs and they are popular with residents. They offer a comprehensive collection service including textiles and the tonnage of waste collected raises recycling credit and income for the Council. It is therefore suggested that these should be retained, and in order to provide a safe and effective service, £3,000 per annum is allocated for ongoing yearly maintenance (*Recommendation (1)*).
4. Local Recycling Centres (LRCs) are more numerous and use recycling banks that can easily be re-sited and are usually custom-made 1100 litre or 660 litre wheeled bins. The types of materials collected at LRCs are paper, cans and glass with three centres collecting textiles. The annual cost of collection is approximately £10,000. The three textile banks generate a nominal income from the textiles collected.
5. The Council took over the LRCs from South Herts Waste Management (SHWM) when the company went into Administration in 2006. These had fallen into disrepair and although some maintenance has since been carried out they are in need of comprehensive maintenance and upgrading to bring them to an acceptable standard.
6. As the Council now provides an extensive kerbside collection service the usage of the LRCs is declining. There is an opportunity for the Council to either save the £10,000 it spends on servicing the LRCs by discontinuing all of the 30 LRCs and using the saving of £10,000 to fund the maintenance of the DRCs and to provide, if viable, a kerbside textile collection

service (*Recommendations (2) & (3)*).

Textile Collection:

7. When South Herts Waste Management (SHWM) was the Council's service provider it collected textiles from the doorstep in the clear recycling sacks or in plastic carrier bags. Due to operational reasons and SHWM's inability to provide a viable service the Council engaged a specialist textile collection contractor for the service at a cost of £5,000 per year offset by the income generated by textile collection with the contractor obtaining additional external funding for covering the cost of service provision.

8. The external funding ceased in late 2007 and efforts were made to renegotiate the cost of provision of this service. An agreement could not be reached and the service ceased on 31 March 2008.

9. Preliminary discussions have been held with the current service provider SITA to consider the feasibility of introducing a kerbside textile collection service. It may be possible to introduce a sack based system with 4 collections per annum, but it is not certain at this time whether this level of service could be provided within the net £7,000 savings arising from the recommended changes to the district and local recycling facilities. Cabinet is requested to consider whether officers should continue to pursue this possibility or whether the £7,000 should be returned as a saving to the General Fund (*Recommendation (3)*).

Resource Implications:

There is an identified saving of £10,000 per annum arising as a result of discontinuation of the Local Recycling Centres. Of this £3,000 per annum is required to adequately maintain the DRCs to ensure safe and effective operation. The net saving of £7,000 can either be returned to the General Fund as a saving or if feasible, could be utilised to provide a new kerbside textile collection service. .

Legal and Governance Implications:

Relevant statutory authorities include the Public Health Acts, Environment Act 1990 and the Environmental Protection Act 1990 and associated regulations and guidance

Safer, Cleaner and Greener Implications:

The delivery of an effective waste management service is a key component of the Council's "Safer, Cleaner, Greener" strategy. There is a requirement upon the Council to increase the recycling and diversion of waste and to reduce the volume of waste destined for landfill.

Improvement and proactive maintenance of the Council's remaining recycling centres will improve the appearance of the streetscape.

Consultation Undertaken:

The Council's current service provider SITA Suez has been consulted however further detailed discussions have to be undertaken before viability of a new textile service can be established.

Background Papers:

None.

Impact Assessments:

Without the additional £3,000 investment in the DRCs there is a significant risk that they will not remain safe for use by residents.

The loss of the 3 LRC textile facilities may result in a nominal reduction in recycling performance.

If it does not prove feasible to replace the LRC textile facilities with a kerbside service, there may be some residents who use them now, particularly those with disabilities or who are unable to travel to the DRC sites, who will not have access to a textile recycling service. However, through the existing kerbside schemes they will retain access to all other recycling facilities.

Report to the Cabinet

Report reference: C-007-2008/09

Date of meeting: 8 June 2009



**Epping Forest
District Council**

Portfolio: Corporate Support and ICT Services

Subject: External Review of the Estates and Valuation Service

Responsible Officer: Mike Tipping (01992 564280).

Democratic Services Officer: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

To consider the recommendations arising from an external review of the Estates and Valuation Service carried out by CIPFA Consulting.

Executive Summary:

An external review of the Estates and Valuation Service within Corporate Support Services has been undertaken by the consulting arm of the Chartered Institute of Public Finance and Accountancy (CIPFA), known as CIPFA Consulting. The brief was to consider various options and make recommendations on how the service is to be provided in the future. The options included retaining the service in house or outsourcing either in part or in total. The report concludes and recommends that best value will be achieved by retaining the service in house.

Reasons for Proposed Decision:

To achieve best value and optimise efficiency in the management and development of the commercial portfolio in accordance with the Council's strategy as contained in the Asset Management Plan.

Other Options for Action:

To not accept the recommendations in the external report and decide on an alternative course of action. There would appear to be no logic in doing this given the expertise and experience of CIPFA in conducting this type of review.

Report:

1. Against a background during 2008 of a long term staff absence, difficulties in recruiting to a part time Valuers post and the departure of the Principal Valuer and Estates Surveyor to a new post with another authority the Portfolio holder for Corporate Support and ICT Services requested that a comprehensive review be carried out of how the service should be provided in the future.

2. As an interim measure whilst the review was undertaken it was agreed that the two vacant posts would be covered by agency staff to ensure that a backlog of work, mainly

caused by the long term staff absence did not become any greater.

3. The member of staff on long term sickness absence has now returned to work and since the section has been fully staffed albeit with agency cover the backlog of work, particularly on rent reviews and lease renewals has pretty much been eliminated.

4. This however has only been possible because of a reduction in other work, notably the absence of any major land sales or acquisitions and a reduction in the number of council house sale valuations largely as a result of the current economic situation.

5. The consulting arm of the Chartered Institute of Public Finance and Accountancy (CIPFA) were commissioned to conduct a review. That review has now been completed and their detailed report including the terms of reference for the review is attached.

6. In summary the review has found that by comparing likely costs for operating an outsourced service with a reduced core of retained staff would be more expensive than retaining the service in house.

7. The review has also concluded that for the size of the commercial portfolio managed by the Council and the income this generates, in excess of £4 million in 2008/09, the section is under resourced compared to other authorities with comparable portfolios and income (mainly City Councils and London Boroughs). The suggestion is that an establishment of 5 to 6 Full Time Equivalent (FTE) professional staff with administrative support is the required resource level rather than the current establishment of 4.4 FTE including administrative support.

8. In considering the report the complexity and diversity of the Council's commercial and industrial portfolio should not be underestimated as evidenced by the following statistics taken from the Business Plan for 2009/10. The portfolio is made up of 297 properties consisting of:

| | |
|---|-----|
| Shops (some with associated flats) | 136 |
| Public Houses | 6 |
| Workshop Units | 18 |
| Doctors/Dentist Surgeries | 5 |
| Petrol Filling Station | 1 |
| Tennis Centre | 1 |
| Retail Warehouse | 1 |
| Golf Driving Range | 1 |
| Commercial Starter Units | 67 |
| Airfield with commercial lettings and retail market | 1 |
| Industrial Premises | 56 |
| Business Park | 1 |
| Golf Course | 1 |
| Football Ground | 1 |
| Supermarket and Associated Shops | 1 |

9. There are also 37 operational property as follows:

| | |
|------------------------------|---|
| Offices | 3 |
| Leisure Centres | 5 |
| Museum | 1 |
| Public Toilets (traditional) | 1 |
| Public Toilets (automatic) | 6 |
| Allotment Sites | 7 |

| | |
|---------------------------|---|
| Recreational Lettings | 6 |
| Depots | 4 |
| Nursery | 1 |
| Vacant/surplus land sites | 3 |

10. The Council's operational and non-operational land and properties (excluding HRA Housing Stock) as at 1 April 2008 has a book value of around £91.44 million. This is composed of approximately £39.54 million operational and £51.9million non-operational land and buildings.

11. If the Council decides, during the current recession, to change its investment strategy with an increased focus on property, numbers and values may well increase and the complexity become even greater both in terms of the advice required and the diversity of investment. The development of a strategy for the future use of North Weald Airfield will in itself constitute a significant and complex piece of work which will require in house expertise as well as specialist external advice to enable progress to be made.

12. Cabinet is asked to consider the Report by CIPFA Consulting and decide whether it wishes to accept and adopt the recommendations contained in the report.

13. If the recommendations in the external report are approved and adopted it is proposed to submit a further report with recommendations how they might be implemented.

14. If the recommendations in the external report are not approved or adopted Cabinet is asked to determine what alternative course of action it wishes to take.

Resource Implications:

Dependent on the decisions made in relation to the CIPFA recommendations.

Legal and Governance Implications:

Compliance with Asset Management Strategy to achieve value for money, optimal use of assets and maximise income from those assets.

Safer, Cleaner and Greener Implications:

N/A.

Consultation Undertaken:

By CIPFA of other local authorities for comparison information contained in the report.

Background Papers:

CIPFA Consulting report, available from either of the Officers listed at the head of the report.

Impact Assessments:

Risk to maintaining and increasing income from the commercial portfolio if not managed in the most efficient and cost effective way.

There are no equalities issues arising from this report.

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Epping Forest District Council

External Review of Estates and Valuation Section

May 2009

CIPFA

**PERFORMANCE IN PUBLIC
SERVICES**



Certificate No. 5631/06

No. 1 Croydon, 7th Floor
12 -16 Addiscombe Road
Croydon, CR0 0XT

Phone: 01959 565162

Fax: 020 8667 8195

Email: John.Plumb@ipf.co.uk

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EXECUTIVE SUMMARY

1. EFDC benefits from income generation of about £4m from its property portfolio. The estates and valuation section of 4.4 full time equivalents (FTEs), was headed by a Principal Valuer who resigned and left at the end of 2008. The 2009/10 budget for the section is £300,570, including £71,540 for recharges and central support services. The Council wanted an **external and independent review** of the section and an appraisal of future service delivery options, see Brief at Appendix A.
2. IPF/CIPFA through its leading role in Property and Asset Management in Local Government, is able to investigate, compare and assess the objectives, organisation, grading of staff and service delivery models that will result in value for money and effective use of the Council's resources.
3. The **findings** of this review were that:
 - a. The scale of income generation activity is significantly more than other District Councils and best comparators were with City councils;
 - b. Other Councils have teams of between 5 and 8 FTEs for the level and range of EFDC service activity;
 - c. The business support activities within the team would remain a part of the Council's service requirement, if the service were outsourced/externalised;
 - d. The estates and valuation strategic functions require a core team of two senior professionals; and
 - e. The level of in-house staff presently augmenting the core activities is 2 FTEs with a maximum net incremental cost of £108,000 per annum.
4. The **options examined** how to meet the Council's significant needs for income generation and asset management through a core team of two augmented by:
 - a. further in-house resources; or
 - b. an external contracted partner; or
 - c. a number of contracted in arrangements to meet service requirements.
5. The net cost of the in-house option at £108,000 affords best value for money. The annual cost of a partnering arrangement given activity levels and the importance of the estates income stream, is estimated

at a cost of £150,000 and for separate contracted packages at £165,000. Associated with these externalisation options there are additional procurement costs of £50,000 to set up an external partnering arrangement or of £35,000 per annum to manage contract packages.

6. CIPFA **recommend to the Council** that it approves this report and:
1. Appoints two permanent staff at Principal Valuer and Senior Valuer level to meet the core strategic service requirements, and
 2. Augments this core team with at least two further valuers and surveyors. They should be supplemented by a business support resource specifically designated to carry out corporate duties in relation to information and finance administration.
 3. Replaces the expense of agency appointments with permanent contracts.

Furthermore if this report's findings to continue in-house are not accepted, then this report recommends to the Council that it:

4. Agrees to the additional one-off expenditure of £50,000 for developing and entering into an external partnering arrangement; or
5. Agrees to additional annual contract management costs of £35,000 (0.5 FTE) per annum if separate external contracts, as required, are preferred for non-core service delivery; and
6. Recognises the expected increase in service budget provision necessary once the external contracts are negotiated.

1. Introduction and Context

The Objective

- 1.1 Epping Forest DC has maintained a lean and effective structure for delivery of Estates, Valuation, and Asset Management under the leadership of the Assistant Director Corporate Services, Facilities Management and Emergency Planning who is also designated as the Council's Corporate Property Officer. The Estates and Valuation section has been led by a Principal Valuer who has also acted as the lead professional adviser to the Council on Asset Management Planning. This officer has now left and the Council has asked CIPFA to provide an external review of the Estates and Valuation service. The terms of reference are attached at **Appendix A**.
- 1.2 CIPFA has advised and assisted the Council since 2004 in preparing and drafting the Corporate Asset Management plans. CIPFA is the leading organisation in developing Construction and Property, and Asset Management networks for Local Authorities. It is able to identify good practice, use benchmarking information and its experience to review and assess service operations and make recommendations for improvement.
- 1.3 In this instance the brief encourages an assessment of needs and performance to recommend with appraisal of options how best the Estates and Valuation services should be delivered in future. The review provides information to help the Council decide whether the service should continue in-house, if so whether the staffing needs are met, or whether to seek an outsourcing solution, in which case to assess the internal contract management requirements.

Corporate Asset Objectives

- 1.4 The Council seeks to optimise value from its assets and to ensure the property portfolio is able to support and meet the corporate objectives and aims as articulated in the Corporate Asset Management Plan.
- 1.5 The essential elements required of the Valuation and Estates section are to fulfil the strategic property management needs and to deliver efficiency savings and income through the valuation and estates services.

The Service Plan for Estates and Valuation

- 1.6 The principal activities of the section are:
 - a. Production, regular updating and implementation of a five year Asset Management Plan.
 - b. Landlord and tenant matters including property valuations, rent reviews, lease grant, renewal and assignment, repairing obligations.
 - c. Property acquisition, disposal and compulsory purchase.
 - d. Compiling and maintaining the Commercial and Industrial Property Database.
 - e. Annual revaluation of the Council's land and property assets.

- f. Valuation of the Council's Housing stock for Right to Buy, Resource Accounting and Social Rent Reform.
 - g. Continuous Property Review programme to identify surplus or under-used land and property assets.
 - h. Providing an in-house property advice service to Members and other Directorates.
 - i. Negotiation and agreement of terms for compensation.
 - j. Production of the Business Properties website.
 - k. Management of the Automatic Toilet lease agreements.
- 1.7 The portfolio of 297 properties includes both industrial and commercial properties. The rental income has risen to £4,035,750 in 2008/09. In addition there are 37 operational properties.
- 1.8 The service plan for 2009/10 expects similar levels of activity as in the 2008/09 work programme. The review plan is available and if anything suggests in some areas a more intense level of activity between now and the year end. The 2008/09 work programme for the section was measured as:

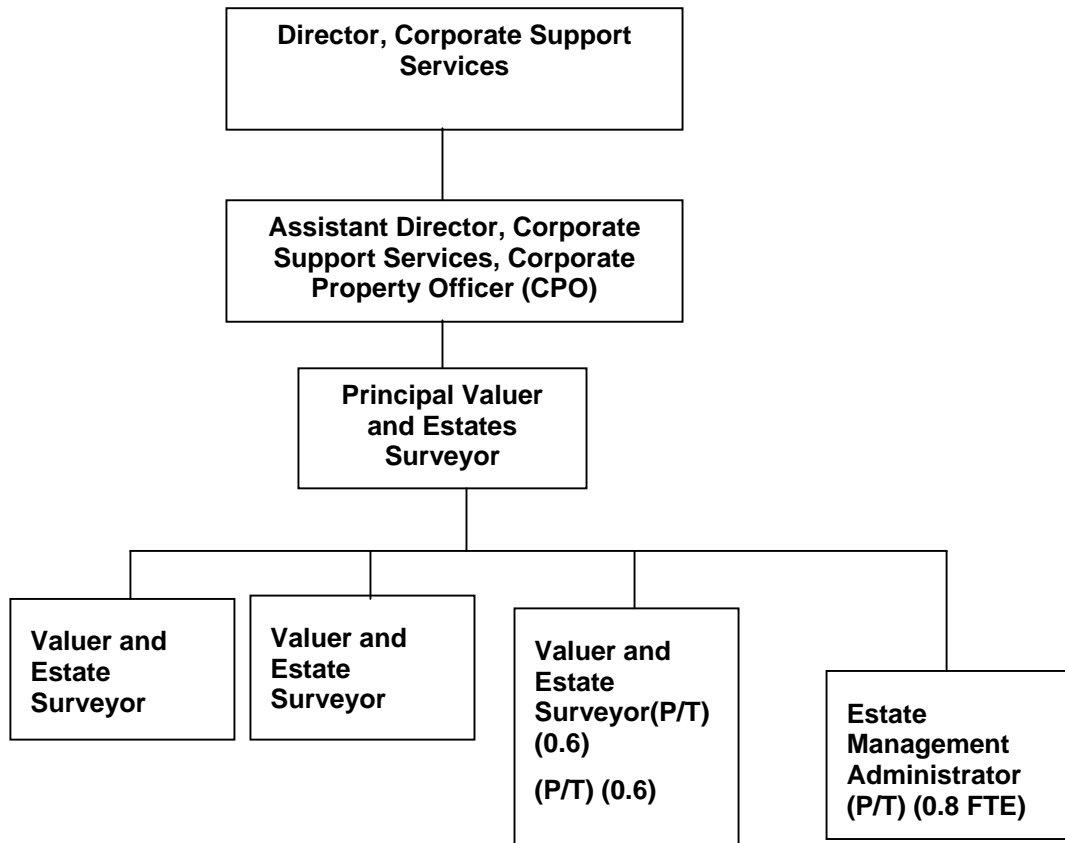
| Description | 2008/09 Number |
|---------------------------------------|-------------------|
| Rent Reviews | 35 |
| Lease Renewals | 14 |
| New Lettings | 1 |
| Lease Assignments and sub lettings | 17 |
| Land Sales | 0 |
| Property Purchases | 0 |
| Council House Right to Buy Valuations | 27 |

- 1.9 In 2008/09 the section's output was affected by the long term sick leave of one member of the section and the departure of the Principal Valuer and Estate Surveyor. This was compounded by two unsuccessful attempts to recruit into a part time Valuers post. To improve the throughput of property and rent reviews a report was prepared for consideration by the Cabinet recommending that an external surveyor be appointed to deliver up to 10 rent reviews and lease renewals, but for various reasons the report was not submitted.
- 1.10 The key aims for the section focus strongly on the capital receipt income from sales and to continue to improve the rental income. The recent changes in the economic situation and the property market will adversely impede the Council's ability to achieve its objectives.
- 1.11 The Asset Management Plan is annually reviewed and updated. An important current development is researching the purchase of newer and

more up to date information systems. The modern systems can manage all property, asset, valuation and condition information if the appropriate modules are procured.

The Section Structure

1.12 The structure in December 2008 was as follows:



1.13 The 2009/10 budget for the section is £300,570. This includes £71,540 for service area recharges and support services. The offices used are within the Civic Centre and no short term saving in overheads and recharges is likely were the service to be externally provided. The service direct costs amount therefore to £229,030 for 2009/10. This may be exceeded as the two vacant posts are currently being covered by agency placements, pending the outcome of this review.

1.14 An important part of the section’s activities are to support and provide input to the legal services team in “right to buy” transactions.

2. Findings and Comparators

Benchmarking

- 2.1 CIPFA has researched through its networks and contacts some comparison and assessment of the operations and practice of other Local Authority service organisations. Clearly each is unique in certain aspects and so the objective has been to find organisations that perform well, including at least one Beacon Council for asset management, and have similar income generation targets i.e about £4m.
- 2.2 To match the income generation levels of EFDC meant approaching City Councils and even inquiries into the activities of a London Borough. The City Councils have an interest in holding property to create wealth and aid area regeneration. In some cases there are schemes where they have worked with developers to invest in regeneration and then sharing the investment benefits. The authorities approached include among others Ashford, now sharing services with Swale, Canterbury, LB of Hackney, St. Edmundsbury, Exeter and several smaller Districts.
- 2.3 All councils approached expressed qualification of what they could offer as it depends on the composition, mix and variety of services needed, property portfolio buildings, and the lease and tenancy arrangements. Any judgement to be made is subjective in that interpretation has been applied to inform the assessment of relevance and what can be drawn from any given set of information provided.
- 2.4 Where there is an active portfolio of commercial property income generation similar to EFDC, all authorities employed a larger unit of staff to cover the duties and responsibilities. Canterbury at a similar level to EFDC has 9 staff, Exeter 6 and at a lower income level (£2.5m) Hackney has 5. Canterbury includes coastal towns, harbours and explained that staff numbers were high because of the complexities of the portfolio. A common approach to recruitment difficulties and longer term staff development has been to appoint a trainee to the team.
- 2.5 Where activity is much lower the principal estates surveyor is supported by a senior surveyor to manage the Council's Estates and Valuation services. Ashford and Swale share officers in response to recruitment difficulties and in order to deliver value for money. However their Estates portfolio and income generation is very much less than at EFDC.

Performance Management and External Provision

- 2.6 The purpose of discussion and exchange of information with other local authorities was to establish a minimum in-house level required for meeting strategic property management and asset management

- planning, and supervising or contracting out the valuation and estates services. The section numbers varied between 2 and 9 full time equivalent staff (FTEs), including some support function. The income generation varied from £300k to above £4m per annum.
- 2.7 A rule of thumb approach by some was that a surveyor working in rent reviews should be able to bring in 4-5 times their salary per annum as income. Thus an average annual rent review of £1m may be expected to cost £200k- £250k in direct staff salary costs for that activity alone. This is at the level of the total direct staff cost of the section at £207k. A typical section in other authorities working at the level of service defined by EFDC seemed to employ at least 5 FTEs for the wider workload outlined in the information provided.
 - 2.8 The inquiries included seeking information about the employment of external contractors to work on specific service requirements or on general service provision. In smaller scale sections there are needs to employ top-up and additional resources to deliver the annual programme. These external examples provide some basis for some of the outsourcing costs used later in this report. Almost all have an occasional need to engage external suppliers for particular needs. The suppliers are normally selected from a short list of established providers that are familiar with the Council and the area. Competitive bidding will depend on the situation and local procurement rules.
 - 2.9 There are two approaches used: first to address a particular need or specialist service requirement, and secondly where a package of work can be specified with payment by a schedule of rates. In either case the circumstantial detail and complexity will determine ultimately the cost of the service supplied. There is a consistent message in reviewing requirements with other Councils that affirms a need for in-house technical capacity to manage the contracts and process the decisions for authorisation within the Council.
 - 2.10 The finance and support part-time member of staff carries out functions directly related to the management and delivery of the section's work that will be required whether the technical work is in-house or provided by external suppliers. The role might be moved to the finance team in the event of externalisation of the section. No net savings on operational costs would be associated with this move.
 - 2.11 The focus and direction of the team is clearly set out in the Service Plans. This review did not identify any changes of working practice or organisation of the immediate team that might afford any better value for money in service delivery. Plans and programmes of work have been developed and implemented according to the resources available. Given the unusual staff absence circumstances and the recent change of team leader, the continuing ability to deliver the activities and service required is creditable.

3. Options for Service Delivery

Overview

- 3.1 The research and investigation has led us to a view that the minimum internal service required for delivery of the valuation and estates service is two. One of these should be at least at the level of the former Principal Valuer with a similar remit to be technically responsible for service quality, strategies and plans. The evidence we have found indicates that a second appointment in support of or working with the lead officer is necessary. This might be part-time and could depend on the main delivery provider.
- 3.2 This core of two staff is insufficient to deliver the required service and would need to be augmented by an additional resource. How that resource is provided will depend on which option for the provision of the service is eventually chosen.
- 3.2 The options developed from this base would be:
 - Continue with an in-house service;
 - Appoint an external provider or providers as partners;
 - Contract in services as required.
- 3.3 The parameters are fairly limited. The staff numbers are currently 4.4 FTEs. The services needed are:
 - Strategic / Corporate advice as discussed above;
 - Contract procurement and management if external inputs required;
 - Professional and technical capacity to deliver the wide range of outputs, summarised at paragraph 1.8 above;
- 3.4 The standard approach is similar to that applied by the Council. That is to appoint a unit of staff that need to be supplemented from time to time for capacity or capability reasons from the outside.
- 3.5 If the premise at 3.1 is accepted then the scope for internal staff variation in numbers appears from this research to be between 2 and 6. A recent survey by CIPFA's Asset Management Network of the strategic property function in 34 Districts resulted in a pure average staff level of 3 FTEs with an adjusted mean of 1.5 FTEs. Given the importance of the income generation activity to the council, it is impractical to reduce the core staffing requirement recommendation below 2 FTEs.
- 3.6 The core element that will be retained in-house under each option is therefore:

| | | | | |
|--|--|------------------|-------|-----------------------------------|
| | Core Technical & Professional Advisory and | Business Support | TOTAL | Estimated overheads and recharges |
|--|--|------------------|-------|-----------------------------------|

| | Management Team | | | included |
|------------------|-----------------|---------|---------|-------------|
| Staff Numbers | 2 FTE | 0.4 FTE | 2.4 FTE | |
| Associated costs | £ 140k | £30k | £170k | <i>£40k</i> |

- 3.7 The internal staff costs for 2009/10 is £206,590 for 4.4 FTEs within an overall budget of £306k. The potential cost saving of employing the two to three staff focused on service delivery is estimated as between £90k - £140k of direct costs. Clearly the exact amount also depends on the grade and level of staff retained in-house. Some of the associated support costs, say £30k-£35k, may not be avoided in the short term.
- 3.8 A detailed supporting analysis of current staff activities and estimated time allocations was possible based on an available snapshot of information. This helped show the balance of current activity and the proportion of demand by activity for the section's services. The snapshot may be partly distorted because of the temporary loss of the services of one staff member during last year. It is also true that in some of the Councils approached they had a backlog of rent reviews, suggesting they were under-resourced.

Options Appraisal

- 3.9 The **In- House delivery** option remains near to the present level where resources are stretched and there is probably a good case to increase the team to at least 5 or 6 FTEs. The employment of CIPFA to help with the Asset Management Plans and engage others to deliver packages of valuation and estates activity is a cost effective way to support and deliver the in-house option.
- 3.10 The advantages are continuity and maintenance of local knowledge of the estate and matching the service outputs to the council requirements and needs. The disadvantage is the inflexibility of Council employment and difficulties in always matching the skills of appointed staff to need. Another constraint may be the ability to always recruit and replace staff when necessary. Increasingly Councils find problems as staff reach retirement because there is now almost no capacity to recruit and train replacements. Temporary Appointments and use of agency staff is one way of managing this situation.
- 3.11 **Appointment of external contractors** is the second option referred to above. The most effective models employ a single larger multi-functional supplier or use a framework agreement where specialists can be selected for purpose. The districts that rely on this do so

- largely because they have a significantly reduced portfolio and/or only have occasional need for these services. Another approach where the income level is low is used by Ashford/ Swale where they share the technical expertise required. The internal core team capacity needs to be sufficient to set up and manage the service requirements as part of the strategic duties. In each case there is a fully tendered selection process to administer and manage.
- 3.12 A key assessment is whether the tender and subsequent external supplier prices for service delivery will be less than the present cost of the additional internal resources necessary beyond the core team of two. The upper limit suggested above is of the order of £140k including a £32k portion of the overheads.
- 3.13 The likely cost of the external contracted services required is estimated as:
- a. Rent Reviews and lease renewals, typically these might be 5-10% of renewal value. A four year renewal programme for £4m is £1m per annum, so fees are likely to be £50k - £100k per annum, say £75k.
 - b. Valuations for the register, reporting and advice on "right to buy" sales transactions take a similar proportion of the sections time. The fee for this is therefore also likely to be £65k per annum.
 - c. Occasional sales, record and information maintenance and updating add a further service requirement to the supplier costs. A nominal £25k is estimated to cover this less well-defined service requirement.
- The total may therefore be £165,000 for external contracts. By engaging through a partnering arrangement with one supplier for all these services a discount of say 10% may be achieved in negotiation.
- 3.14 **Contract in services as required.** An alternative is to wait and make ad-hoc appointments in each service area. Whilst this allows specific tendering and appointments to be made it does require more internal cost for each tender exercise and risks incurring learning costs both contractually and technically working with each new contractor. Under this option there would be need to employ probably one more in-house above the core unit of two, to plan, programme and manage the procurement of the external services.
- 3.15 The external contract costs would need to be kept to less than £108,000 to make this a cost effective solution. £108,000 is the total apportioned cost of the existing two in-house staff without the £32k overhead allocation. For each contract let there would be internal procurement costs in addition to the FTE appointed to manage the programme.
- 3.16 In tabular form a comparison of the net differences in the options is:

| | Core Estates & Valuation Team | Rent Reviews and lease renewals | Valuations and Right to Buy, | Sales and Purchases | Total Net Annual Cost in addition to above |
|---|-------------------------------|--|------------------------------|---------------------|---|
| In-House (as present budget and service plan) | Core cost as above | 2.0 FTE, perhaps 3 FTE £ 140k (An estimated £32k of these costs are for overheads and recharges so may not result in cashable savings) | | | £140k Net Cost £108k |
| External Partners (Out-source) | Core cost as above | £70k | £60k | £20k | £150k* Plus One off cost of implementation allow £50k (minimum) |
| Ad-Hoc Contracts | Additional 0.5 FTE £35k | £75k | £65k | £25k | £200k |

*The external outsourcing arrangement may in negotiation achieve a discount to the Council of 10% against the ad-hoc contract rates for the £165k of external costs.

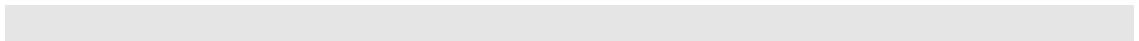
- 3.17 The overall margin of contract price risk might also be 10%, on the basis of the estimation information applied. This might go either way. However in the present competitive environment, we might allow a further £15k discount in the outcome of an externalisation process. This might lower the overall estimates of the outsourcing and ad-hoc contracting options towards total service costs £350k and £400k, retaining the overhead allocation against the service area.
- 3.18 The only price certainty is around the in-house team. For the in-house team, however any variation in the above estimations is likely to be measured as lack of output given the resources allocated and the ability of the team to meet targets and deliver. This situation would be managed on basis of the Council's priorities and impact on overall financial outcomes.
- 3.19 Previous experience and discussion with the Assistant Director Legal has led to an estimate of at least £50k as the one-off cost of specifying requirements, managing and drafting the contract documentation, evaluation and negotiation of offers and reporting to members and the Council on progress and recommendations.

4. Conclusion and Recommendations

Closing comments

- 4.1 The Council's Estates and Valuation Services appear to be overstretched when compared to other Local Authorities' sections with a similar workload as far as it is practical to compare. The evidence reviewed and examined suggested that in all options the Council would need to employ at least one Principal Valuer and one Senior Surveyor (the core team) to manage and deliver the strategic advice and supervision of the wide range of services required and to improve on the present high level of income generation, over £4m, from the estate portfolio.
- 4.2 Other similar authorities at these levels of activity would appear to employ a section of about 6 FTEs. This suggests a demand tension for achieving and delivering the Council's output requirements of the service. This is sustainable as long as the section can be supported by occasional employment of specialists and additional resources as the Council judges necessary. If not, then there will be a lag at the margins of the work programme. This can be managed in the short term by application of the existing team's knowledge of the estate and the Council's priorities. Consideration of the appointment of one trainee surveyor to the in-house team would be a way to plan forward for service continuity.
- 4.3 The overall result from comparison of the options above in section 3, is between possible net staff cost savings of £108k maximum and the external cost of service provision that may be between £150k, at the most optimistic, and £200k according to the contracting route selected. There are further disadvantages in the £50k cost of implementation and subsequent loosening of control over day to day work programming. If it is decided to externalise the service and contract in, then one of the two core technical staff retained by the Council in-house should have direct contract experience of managing outside suppliers. This may require both officers to be at Principal Valuer level increasing the cost of the core team.
- 4.4 The analysis cannot find any evidence to suggest that the council would achieve better use of resources or value for money by engaging external suppliers for delivery. In fact in our view it is probable given the level of income generation at the centre of activities that this solution would be more expensive and potentially create additional management issues coordinating activities and meeting Council service requirements.
- 4.5 The findings and analysis suggest that the EFDC portfolio of activities in Estates and Valuation Services are not suitable for outsourcing or externalisation through contract.

Recommendations

- 4.6 The Council should appoint a Principal Valuer and Senior Surveyor employed in-house to manage the core advice, asset management plan delivery, specify, manage, and monitor work programmes, report on all estates and valuation issues to Council.
 - 4.7 That the in-house option is the preferred solution to support the core team.
 - 4.8 That to deliver the full service in-house, a further two or three technical and professional staff in addition to the core team should be retained or appointed. This makes a full team of four to five plus a part-time support officer.
 - 4.9 That permanent appointments are made as soon as practical to replace the agency placements to reduce the unit costs of these established positions.
 - 4.10 That in the event of this report and its recommendations not being approved £50,000 is budgeted for to pay for the procurement and staff transfer costs of externalisation.
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APPENDIX A Terms of Reference

External Review of Estates and Valuation Section

1. To review the existing establishment and grading structure against the provision of a Valuation and Estate Management Service and advise on its adequacy.
2. To consider options for the future provision of a Valuation and Estate Management Service and make recommendations to the Council on the option(s) that will provide the best value for money whilst at the same time maximising the revenue income from its land and property assets.
Such options to include:
 - a. Retention of the in-house service;
 - b. Outsourcing of the service in totality;
 - c. Outsourcing of the service in part;
3. If outsourcing either in total or in part is the preferred option to advise on:
 - a. The level of in house resource required to manage an outsourced contract; and
 - b. Whether the combination of costs of an outsourced contract and in house resources to manage that contract is likely to be more or less expensive than the cost of maintaining an in-house service.
4. If retention of an in house service is the preferred option either in total or in part, to review current working practises and where appropriate make recommendations for improvement.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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