

North Yorkshire County Council

Corporate and Partnership Overview and Scrutiny Committee

Minutes of the meeting held at County Hall, Northallerton on 12 October 2015 at 10.30 am.

Present:-

County Councillor Derek Bastiman in the Chair.

County Councillors: Val Arnold, Bernard Bateman MBE, John Blackburn, Jean Butterfield, Sam Cross, Peter Horton (as substitute for Stuart Parsons), Bill Houlton (as substitute for Bryn Griffiths), Andrew Lee, Cliff Lunn, Tony Randerson, Steve Shaw-Wright, and Tim Swales.

Also in Attendance

County Councillors: Carl Les (Leader of the Council), Elizabeth Shields.

Officers: Gary Fielding (Corporate Director, Strategic Resources), Anton Hodge (Assistant Director, Strategic Resources), Jon Holden (Head of Property Services), Mark Taylor (Project Officer) and Neil White (Corporate Development Officer).

Apologies for absence were received from County Councillors: Bryn Griffiths and Stuart Parsons.

Copies of all documents considered are in the Minute Book

57. Minutes

Resolved that – the minutes of the meeting held on 5 June 2015, having been printed and circulated, be taken as read and confirmed and signed by the Chairman as a correct record.

58. Public Questions or Statements

There were no questions or statements from members of the public.

59. Executive Member Update

County Councillor Gareth Dadd was unable to attend the meeting.

60. Property Rationalisation

Considered –

The presentation of Gary Fielding (Corporate Director, Strategic Resources) and Jon Holden (Head of Property Services) providing the Committee with an update on property rationalisation, one of the core themes of the 2020 savings programme. The main points were:-

- ◆ Property rationalisation is about assessing the way Council owned property is used in order to maximise the efficiency of service delivery and service management.

- ◆ This is informed by:
 - data in respect of the existing portfolio and usage,
 - service directorate consultation and requirements,
 - previous initiatives within North Yorkshire, and
 - other public and private organisations that are using property rationalisation as a way to enable and incentivise staff through better and more efficient use of property, technology and a changing organisational culture.

- ◆ The Council's circumstances are different but many of the principles are the same - that property needs to be aligned and fit for service needs to enable it to be a most effective and efficient service for customers.

- ◆ The Council's property divides into three categories:
 - Schools, which have responsibility for their own maintenance.
 - Corporate property such as offices, libraries and frontline service outlets, and
 - Non-operational portfolio such as farms and land for future need. The Council's property rationalisation focuses on corporate property.

- ◆ Work that has been designated for property rationalisation in Scarborough will require a net investment of £853,000 generating a net revenue saving (excluding repairs and maintenance) of £55,000. Future work will need to be undertaken on Scarborough Library as well as co-locating health staff and broader co-location opportunities.

- ◆ Work designated for property rationalisation in Northallerton will require a net investment of £3,510,000 generating net revenue savings (excluding repairs and maintenance) of £275,000. Future work will need to be undertaken on the Library Headquarters and the Records Office as well as at the Insite facility.

Following the presentation Members made the following points and comments: -

- ◆ The Chairman commented that alongside property rationalisation it was essential to ensure that Council property was being used and disposed of efficiently and effectively.

- ◆ A Member asked if options had been explored to extend existing property into neighboring property, citing North Yorkshire House and Scarborough Library as an example. It was noted that this option had been considered previously but at that time was not viable due to costing. However, if a longer term proposal was formed that made economic sense then that could be looked at. The Council's Executive would be looking at its next meeting into asset transfer proposals to communities, which is an important theme of the Council's Stronger Communities programme. Clearly in situations where the asset value is high the Council could sell the asset and then make a contribution to the community group.

- ◆ Clarification of what property the Council owned outside North Yorkshire was sought. Without the figures present an exact number could not be provided but it was estimated to be one school.

- ◆ A Member noted that net investment figures included in the figures for Northallerton and Scarborough included repairs and maintenance but the net revenue savings did not, making it difficult to draw comparisons. It

was noted that this was done deliberately as, planning repairs and maintenance could be identified, but the Council could not get a breakdown of property to responsive maintenance costs; or unplanned maintenance. This meant it could not accurately be included as a net revenue saving.

- ◆ A Member noted her disappointment that net investment seemed high in comparison to savings. It was brought to the Committee's attention that savings figures were conservative. In property investment 10 years isn't a long time. If property maintenance wasn't regularly addressed then the property's condition depreciates and the costs go up. Work would become more and more expensive, especially in the current economic climate. The saving figures don't reflect staff productivity either. Creating more appropriate workspaces, allowing staff to be more efficient, providing better equipment, a better environment and changing ways of working all help to make staff more productive which in itself helps to save the Council money.
- ◆ A follow up question was asked if the net investment figures were also conservative. The figures were based on the best available data, but the reality is that the net investment amount won't be known until the work is undertaken. Value for money is a priority; if the quote for work is too high then it will have to come back to the drawing board because the Council cannot afford to pay.
- ◆ A Member asked for further information on County Hall car parking expansion that was mentioned in the presentation. The Committee was informed that there had been remarking done in the existing car park and buddy spaces had been created in existing deep spaces to create approximately 50 new spaces. In addition, further parking on grass will be available subject to the car parking policy being changed in November and when the scaffolding from the building work comes down in November this will open up the spaces currently in use by the scaffolding.
- ◆ There will be stricter enforcement and monitoring to ensure appropriate parking, but the Council will need to start thinking more creatively about how the Councillors and Officers meet in the future and whether this needs to be done face to face.
- ◆ A Member noted that a local Selby College was now charging its staff for car parking which had noticeably reduced parking congestion at the college.

The Chairman proposed that a task and finish group be set up to look at property rationalisation, initially at one or two districts/boroughs, with the intention of rolling out across all the districts/boroughs in North Yorkshire. Local Members would be invited to contribute on the discussion of property in their area, however, it was important to emphasize that the Group would be looking at how best to rationalise/dispose that the property the Council owns. The Group would look to complement the work of officers.

Resolved - that a Task and Finish Group be established to consider the Council's property rationalisation/disposal, initially in 1 or 2 areas with an aim to create a model that would enable that work to be used across the County. The membership of the group to consist of:-

Councillors: Arnold, Bastiman, Bateman, Blackburn, Lunn, Randerson, Swales.

61. Smart Solutions

Considered –

The presentation of Gary Fielding (Corporate Director Strategic Resources), and Anton Hodge (Assistant Director Strategic Resources) providing the Committee with an update on North Yorkshire County Council's SmartSolutions traded services. The main points were:-

- ◆ By 2020 it looks likely that the income the Council receives will be business rates, taxes, and any other charges that can be made. The Council will have to be more creative in its approach in order to sustain services going forward as well as being more commercially aware. To enable this it will need a culture change in how the council operated.
- ◆ SmartSolutions, as a brand of the Council, is selling Council services predominantly to schools, as well as other interested public and private bodies. SmartSolutions is entirely self-funding at no cost to the Council.
- ◆ In 2014/15 SmartSolutions ended with a £600,000 surplus after paying the Council £1.3m for operating costs. The turnover increased from £45m to £46.7m.
- ◆ The Council though is facing increasing competition in this area. 58% of all Councils now run some form of traded services. North Yorkshire County Council needs to be forward facing and excelling as what was successful today can quickly become obsolete. Increasing number of local authorities were now looking to become self-sufficient.
- ◆ The Council is always looking at alternative service delivery models internally and externally of the Council providing that the legal, financial and expertise issues can be overcome.

Following the presentation Members made the following points and comments:-

- ◆ A Member wanted to know if the Council was nearing financial self-sufficiency. In response to the Member, it was noted that the Council is following its 2020 savings programme which once complete will ensure that the Council is financially sustainable. However, lacking the detail of the Government's announcement on business rate retention, at this stage, it was still unclear how changes to business rates and revenue support grants would affect the Council's finances from their introduction, expected in 2020.
- ◆ The Chairman requested that a further update on the progress of SmartSolutions be provided to the Committee in 12 months.
- ◆ A Member noted that if Councils are not careful then they will all go away and reinvent the wheel, and wanted to know if North Yorkshire County Council has been liaising with other Councils to gain their expertise. The dilemma was noted of how Councils could work well together, while at the same time being potential competitors. There were some good examples of Councils working together such as Selby District Council and the Better Together Programme, and Health and Safety and YORwaste with City of York Council. There are many factors that a Council needs to be aware of when dealing with another Council as opposed to private companies, chief among these is that Councils are fundamentally political organisations. The County Council

though has to be outgoing in order to compete and be competitive in the market.

- ◆ A Member wanted to know how devolution would potentially affect traded services. In a similar vein to the detail on business rates, the detail around how devolution will work is still unclear. It is unlikely as it stands that what North Yorkshire County Council is doing will be affected by devolution. It was also noted that devolution might present opportunities for the Council, as a major player in a devolution bid to lead the way and expand traded services.
- ◆ A Member commented that Doncaster Council is about to lose its education service and questioned if there was scope for North Yorkshire County Council to provide the service. It was noted that without knowing any of the detail it would be hard to say, however, the overwhelming feeling would be that if we could then why not.
- ◆ A Member drew on his experience from working in the private sector that at the heart of everything that was done, the customer came first, and there was an urgency to satisfy the customer's request. It was felt that more could be done to become more commercially savvy. Service needs to come from the mindset that you are spending your own money and what level of service would you expect. The Council as a whole does need to get slicker, but it also must be acknowledged that the responsibilities of the County Council might increase while there are less people within the organisation to answer questions but this must not discourage the Council from encouraging feedback.
- ◆ The Council should be looking to sell to the private sector but it has to be appropriate. As well as this, the Council can look going forward at helping small-medium enterprises with services such as health and safety that the Council can deliver at a lower cost for them. This would promote business which ultimately could come back to the Council through business rates.
- ◆ A Member applauded the commercial approach being taken. He advised that the biggest problem for the Council will be the culture change from one of public service delivery to profit motive.

Resolved - that an update detailing the financial progress of SmartSolutions be provided to the Committee in 12 months' time.

62. Work Programme

The Committee considered the report of the Scrutiny Team Leader inviting comments from Members on the content of the Committee's programme of work scheduled for future meetings.

Members made the following points and comments:-

- ◆ It was proposed that due to Members already being present at County Hall, that the first meeting of the new Working Group takes place directly after the next meeting of the Corporate and Partnership Overview and Scrutiny Committee.
- ◆ A Member noted that the Committee had requested an update from the Police and Crime Commissioner on the 101 service earlier in the year but no response had been provided. The Leader of the Council,

Councillor Les, present at the meeting responded that an update on the 101 service was on the Police and Crime Commissioners work programme and a report was coming to the Police and Crime Panel in January which could also come to the January meeting of this Committee.

Resolved that –

(A) the first meeting of the Property Rationalisation Working Group takes place after the next full Committee meeting on 16 November 2015, and

(B) the content of the work programme report and schedule be agreed.

The meeting concluded at 12:10pm

NW/MRT