

Committee: Environment & Transport
Date: 9 September 2003
Agenda Item No: 4
Title: Decriminalisation of Parking Enforcement (DPE)
Author: Sarah McLagan/Alex Stewart /Sara Chapman on Behalf of the DPE Task Group (01799) 510555

Summary

- 1 The Council has been invited by Essex County Council (ECC), under its Decriminalisation initiative, to participate in partnership arrangements for enforcement of On-Street Parking in Uttlesford. A Task Group was established in June 2003 with a remit to report back to this Committee with a recommendation as to whether or not to adopt Decriminalisation of Parking Enforcement Powers (DPE).
- 2 The Task Group recommends that the Environment and Transport Committee recommend to full Council to adopt DPE subject to a robust Business Plan that identifies the cost implications for the Council and enters into an Agency Agreement with ECC which clearly holds it responsible for any deficit on the On-Street Parking account.

Note – see Key to terms at end of report

Background

- 3 Decriminalisation of Parking Enforcement (DPE) is a power available to Highways Authorities on application to the Secretary of State at the Department of Environment Transport and the Regions (DETR). Simply, it allows a Highways Authority (i.e., Essex County Council) to take over responsibility for non-endorseable parking contraventions from the Police, putting, for the first time, full responsibility on local authorities both to make traffic regulations and enforce them.
- 4 Although the power rests with Essex County Council (ECC) as the Highways Authority, it is normally the district authorities which is delegated responsibility, through an Agency Agreement, for the operational aspects of implementing the powers. ECC Members have agreed to adopt DPE for the whole of Essex and are in the process of applying to the DETR for the associated powers. A project plan has been drawn-up and Uttlesford is in the last tranche of authorities to be decriminalised in October 2004.
- 5 The issue on which the Council must decide is whether or not to adopt and implement DPE itself or through a contractor, or leave ECC to do so through a third party. Retaining the status quo is not an option as the *raison d'être* for introducing DPE is to streamline both On and Off Street Parking and have one accountable body for enforcement.

The Options for Uttlesford

- 6 The table below sets out the options and associated opportunities and risks to UDC that Members of the Task Group have considered:

OPTION	OPPORTUNITIES	RISKS
<p>UDC Manage System</p>	<p>A uniform level of enforcement and penalty charge across the district for both on and off-street parking which would be better understood by the public</p> <p>An ability to respond to declining police involvement in parking enforcement</p> <p>An ability to design new parking controls knowing that the Council has the ability to enforce the regulations</p> <p>Additional funds to be allocated for use in relation to transport and traffic related matters – these are generated from the surpluses from the on-street parking operation and returned via the Locally Determined Budget</p> <p>An ability to set the enforcement level to meet local needs and respond to changing patterns of conformance</p> <p>Ability to address local problems</p> <p>Public perception of joined up service</p> <p>Potential to refine and improve</p>	<p>Once DPE has been introduced, there is no opportunity to reverse the process</p> <p>If the financial forecasts are not achieved and the scheme never produces a surplus, some of the benefits will never be realised</p> <p>If the Council decline to co-operate, ECC would have the power to appoint a contractor or neighbouring authority to undertake the enforcement in the District.</p> <p>TUPE implications - if ECC implement DPE - ECC would operate all on street parking including Residents' Parking resulting in the redeployment of one part time member of staff. If UDC implement DPE – it would be responsible for undertaking to employ two existing members of staff from the Police Authority unless there is an economic, technical or organisational reason not to.</p> <p>Potentially high expectation of enforcement</p> <p>ECC can still request % of any increase in the off-street parking account</p> <p>Being accountable for greater control</p> <p>Time consuming reviews/ amendments</p> <p>Concentrated initial set-up effort required</p> <p>Charged with being over zealous with enforcement to meet required % of PCNs issued</p> <p>Costly if ECC don't guarantee the deficit</p>

OPTION	OPPORTUNITIES	RISKS
UDC Contract-out the System to a Private Contractor	<p>Once contracted out, UDC not responsible for managing the system</p> <p>Council would receive fee from contractor</p>	<p>Contractor will be driven by objective to make a profit and enforce the contract to the letter</p> <p>UDC would be locked into a contract with little opportunity to amend the detail without financial consequences</p> <p>Examples considered show that the robust enforcement by the Contractor has serious repercussions for the local retailers/ residents as there is no allowance for "circumstances"</p>
ECC Administer System	<p>Potential savings on Residents' Parking Scheme</p> <p>Avoids some public complaints</p> <p>Avoids some administrative problems</p> <p>Avoids accountability for direct control</p> <p>Can pass issues and problems to ECC</p>	<p>ECC can request a % of any increase in off street parking income</p> <p>ECC can keep all on street parking income</p> <p>UDC would lose all control of Residents parking</p> <p>UDC would still be first port of call for complaints</p> <p>No control over level of enforcement</p> <p>Limited influence on TROs</p> <p>Limited ability to refine and improve</p>

If UDC Adopts DPE

- 7 If the Council decides to adopt DPE a number of stages will have to be undertaken. These include, a thorough review and update of all the Traffic Regulation Orders (TROs). A consultant employed by ECC will undertake this but officers will be required to confirm the details. This is an essential component, as it will provide the Parking Attendants with the appropriate detail on the streets that are to be enforced. It also affords the Council the opportunity to liaise with local Town and Parish Councils and consider opportunities to try to address some of the local parking problems that they might be experiencing. For example, when agreeing the planning application for BAA, the Council entered into a Section 106 Agreement, which specifically addresses the issues of Fly Parking within a certain radius of the airport.
- 8 The Council will need to recruit additional staff, a DPE Manager (1.0 FTE), administrative staff (1.68FTE) and additional Parking Attendants (3.0 FTE). It is essential that the DPE Manager be recruited as soon as possible (January 2004) in order to ensure a smooth transition from ECC to the Council. The Manager would be responsible for facilitating the TRO review, liaising with Town and Parish Councils, setting-up the new computerised system, recruiting new staff and arranging appropriate training etc. The customary lead-in time for the introduction of DPE is approximately 18 months – a further reason why employment of the DPE Manager must take place by January 2004. ECC have agreed in principle that all set-up costs for implementing DPE will be met through its DPE Cost Centre.

- 9 The Council could choose to contract out the implementation and provision of DPE to a private contractor. Experience of this approach in other authorities, however, has shown that the persistence and robustness of the Contractor pursuing PCNs is detrimental to both local businesses and residents as they are profit making concerns.
- 10 In order to facilitate the implementation of DPE, the Council will need to ensure that there is appropriate office accommodation made available for the increased staffing levels. The additional staff will need to be recruited prior to DPE going “live” both to ensure a smooth transition and to enable sufficient training of the new systems, legal requirements etc.

If UDC Does Not Adopt DPE

- 11 If the Council decides not to take on DPE powers, it will lose control over all On Street Parking as the legislation requires one provider to manage an On-Street Parking regime. In addition, the Council would have limited ability to influence future TROs as it becomes a consultee, potentially resulting in a system that will not account for local circumstances/knowledge.
- 12 Also, bearing in mind that the population of the District is likely to increase and with the Government’s plans to increase housing provision in the region, such an action could have serious consequences in the long term due to the inevitable increase in traffic and car ownership.
- 13 The Council will still be faced with having to decriminalise the car parks in order for any system to be accepted by the DTLR. Were the Council to opt out of decriminalising the car parks, decriminalisation would not be introduced in the District and there would be no enforcement from either the Police or ECC.

Partnership in Principle

- 14 One of the principles of the Council’s “Strategy for Securing Competitive and Successful Services” is that:

“The Council encourages working with partners to deliver services, bringing together or making better use of resources, in order to achieve better outcomes for the community.”

and

“The Council expects, when working together in partnership, a mutual commitment to a shared agenda, effective leadership, a respect for the needs of the partners and a plan for the contributions and benefits of all partners which should regularly be reviewed and assessed.”

DPE clearly provides the Council with such an opportunity.

- 15 DPE presents the opportunity for a proportion of penalty income to become newly available for funding on-street parking enforcement. From the ECC point of view, local administration clearly offers the most economical way of

delivering the enforcement process; this view is evidently shared by a number of other Essex authorities who have or are in the process of adopting DPE.

- 16 However, when considering the benefit of adopting DPE in Uttlesford, Members of the Task Group looked at the risks and opportunities for the District and undertook a brief consultation exercise with all Town and Parish Councils seeking their views as to whether or not they would prefer to retain the status quo of no enforcement or for the District Council to adopt the powers. To date, 12 Parish Councils have replied but they all indicate a preference for the Council to implement DPE as they feel that it offers more localised control. Some Parish Councils have provided details of acute parking problems and these would be given further consideration when reviewing the TROs.

Financial Implications

- 17 Officers have worked closely with both ECC and its preferred DPE Consultant to gauge a comprehensive understanding of the financial implications if the Council adopt DPE. The financial figures are based on best estimates provided by officers from both authorities and ECCs Consultant.
- 18 Appendix 1 to this report sets out the financial effects of adopting DPE. The estimates are based on current costs and make no allowance for inflation. Some figures are based on predictions which have been quite difficult to make. For example, the number of PCN's issued after DPE has commenced and the number likely to be paid. ECC's experience in this area has been used to calculate the numbers likely in the start-up period and beyond.
- 19 It can be seen from the Appendix that initial set-up costs total £125,000 (Agreed Sum) and that the first 18 months of operation will result in a deficit of around £191,000 (First Year Acceptable Deficit).
- 20 ECC will initially pay the Agreed Sum together with the First Year Acceptable Deficit Support totalling £316,300, this will then be repaid by the District Council to ECC at a rate to be set out in the Business Plan. For profiling purposes the model assumes repayment will be made at £2.00 per PCN issued, this would in effect take approximately 20 years to clear. Alternative methods for paying these costs are available to the District Council including forgoing ECC's support and incurring the costs from its own reserves. These costs would then be written back to the parking account as a deferred charge.
- 21 The benefits of these options will be further analysed and the preferred method incorporated into the Business Plan, however, the Task Group consider that the first option (Deficit Support) is more appropriate as it affords the Council the opportunity to have an interest-free partnership arrangement. The Legal Section have studied the Agency Agreement and consider that it covers any areas of concern that the Council may have had.
- 22 After the first 18 months it can be seen that the On-Street Parking Account will be running at a deficit of approximately £94,000. It should be noted that no allowance has been made for transferring income from the off-street parking account (minimum transfer of funds) to support this deficit. Officers feel at this

time Car Parks are running to full capacity and the effects of DPE on car park usage will be minimal. The model does indicate that by 2006/07 the effects of decriminalised Off-Street enforcement will produce extra net income of around £10,000 which could be transferred to the On-Street Account to help towards the deficit. Officers will continue to monitor this situation.

- 23 By not choosing to adopt DPE powers the Council would lose control of its Residents Parking Account together with the income and expenditure relating to it. This would result in an estimated direct net loss of income of £8,500. The Council would still maintain control of enforcement on its own car parks and it is likely that it would be able to apply a more robust enforcement as it would not have to patrol the Residents' Parking streets. Consequently, it could generate additional net income to cover the loss on the Residents Parking account.
- 24 ECC needs to demonstrate to the Department of Transport through the Business Plan that there will be no burden on the local tax payer and that the On-Street Parking account will eventually run at a breakeven point within a reasonable period of time. It can be seen from the analysis in Appendix 1 that this is very unlikely with the account achieving an on-going deficit of over £90,000.
- 25 ECC has indicated that this deficit will not affect Council's application to run DPE and has confirmed that, through the Agency Agreement, it will treat the first operational year deficit and the on-going deficit as Acceptable Deficits and reimburse the District Council accordingly.
- 26 If the Council chooses not to adopt full DPE powers then enforcement of car parks would need to be more robust to meet the expectations of Decriminalisation, the additional income achieved from this would be retained by the District Council.

Conclusions

- 27 Members of the Task Group recognised that there are both pros and cons relating to the implementation of DPE. The Task Group anticipate that the on-street parking account will run at a deficit. However, under the Terms of the Agency Agreement for DPE, ECC are agreeing to underwrite an "acceptable" deficit on an annual basis until the deficit is in surplus. The "acceptable" deficit has to be incorporated in the Business Plan, which, in turn, is agreed by the DETR. In theory, this should mean that there is no extra tax burden on the local Council Tax payer.
- 28 By undertaking DPE, it offers the Council more control over local issues and enables a closer working relationship with Town and Parish Councils. In addition, it fulfils the good practice guidelines set out in the strategy document mentioned in Paragraph 14.
- 29 Were the Council not to administer DPE, the impact on off-street car park income would be unpredictable because the level of on-street enforcement would be unpredictable. If another authority were administering the scheme, enforcement may turn out to be anywhere along the scale from minimal to

excessive. Conversely, another authority maybe tempted to maximise penalty income on Uttlesford's doorstep rather than closer to home. Whilst car park income benefit may increase, there is no knowing the ultimate cost to the District.

- 30 It would be prudent of the Council to ensure that it only enters into a partnership arrangement with ECC if it can guarantee that the figures in Appendix 1 are regarded as an "Acceptable" deficit and will be continually Underwritten.

The Task Group **recommends** that the Environment and Transport Committee recommend to full Council to

- 1 adopt DPE subject to a robust Business Plan that identifies the cost implications for the Council and
- 2 enter into an Agency Agreement with ECC which clearly holds it responsible for any deficit on the On-Street Parking account
- 3 appoint, subject to ECC's confirmation of funding, a DPE Officer with effect from 1 January 2004.

The Task Group **recommends** that the Environment and Transport Committee retain the services of the Task Group to meet with officers on an as necessary basis to discuss the ongoing implementation programme for DPE.

Background Papers: Minutes of Parking Strategy Working Party; Minutes of Decriminalisation of Parking Enforcement Task Group; E&T Reports; Guidance on Decriminalised Parking Enforcement Outside London; Financial Models (N Downie Associates)

KEY : ECC - **Essex County Council**
DPE - **Decriminalisation of Parking Enforcement**
DETR - **Department of Environment, Transport and the Regions**
PCN - **Penalty Charge Notice**
TRO - **Traffic Regulation Order**

Committee: Environment and Transport Committee

Date: 9 September 2003

Agenda Item No: 7

Title: Policy Priorities and Budgets 2004/05

Author: John Dickson (01799) 510300
Philip O'Dell (01799) 510670

Summary

- 1 This report outlines the Council's proposed approach to budget setting for 2004/05, within the context of the newly adopted Quality of Life Plan. It also contains early proposals for budget amendment and areas for further research following the meetings between the Leader of the Council, Chairman of Resources, Committee Chairmen, and appropriate officers, agreed at the meeting of the Resources Committee on 26 June and subsequently by Council in July. It is intended that Resources Committee on 18 September issues further guidance to officers and Committees following an updating of the Council's overall budget position, but in the meantime, this Committee is asked to comment on and approve the proposals included in this report, and to give any other observations on its priorities and budgets.

Background

- 2 The Council faces another challenging year on its General Fund Budget for 2004/05. The full projected position, at that time, was contained in the Financial and Policy Review report to Resources Committee on 26 June. That Committee agreed, for planning purposes, to continue with the previously set budget target of £7,253,960 as the District Council requirement, which would equate to a Council Tax rise of 7.5% at District level. This projection allowed for no uncommitted growth in services, and indeed required a modest saving of approximately £38,000 to balance the 2004/05 budget. As Members may be aware, a 1% increase in the Council Tax level raises approximately £30,000 in additional income for the Council at District level.
- 3 The budget scenario continues to evolve, based on external and internal factors, and many figures will change in the months ahead as estimates are refined and further external information is obtained.
- 4 The main development since the Resources Committee adopted an overall strategy has been the budget review meetings in August at Member and officer level and involving Chairmen of Committees. These discussions looked at papers submitted by Heads of Service that covered possible growth areas, service reduction possibilities, and charging strategies for income, all in the context of the Quality of Life Plan, the key themes of which are contained in Appendix 1. The dialogue was open and challenging, giving

officers a full opportunity to put across the implications of budget changes, the known views of customers, and their own professional views. The meetings involved substantial preparation and lengthy attendance by many staff. All General Fund revenue budgets were examined in some detail, including 'below the line' items such as interest on balances.

- 5 As a result of those meetings it is considered that the Council is now in a better position to turn its policy aspirations into budget priorities. This process will inevitably take time to complete, with the current year very much a transitional one, yet with substantial and early progress still being made. The full intended approach involves a 5-stage process:
 - Consideration of early ideas for budget review during the current cycle of meetings.
 - Items for further research to be brought back to Committees in the October/November cycle. An important element of the analysis of these items will be the preparation of risk assessments for any significant changes.
 - Consideration of base budgets, any growth bids, and full options for the review of fees and charges in the October cycle.
 - Presentation of full Service Plans to the January Committee cycle, showing how each service will use its proposed funding
 - A proposed 'zero- based budget' approach, with work starting early in the 2004/05 financial year for implementation in 2005/06. Zero-based budgeting is a technique which looks at every element of a budget from a nil (zero) starting point and seeks justification for each item.

- 6 The outcome of all these stages will be a 3-year plan showing the Council's priorities and funding approach in a full and detailed fashion which should be affordable and sustainable in accordance with the new statutory Prudential Code.

- 7 In addition to ideas to expand, reduce or amend specific services, several 'cross-cutting' themes were identified in the August meetings, and these are being looked at by officers prior to reporting back to Members. The areas involved are access to services, administrative support across the Council, and the idea of Trust status for various Council establishments. The emphasis of the first two of these themes will be on improving the way the Council works and interacts with the public, with the Trust status idea possibly bringing financial savings, depending on statutory limitations

- 8 Work on reviewing the Council's budget continues to dovetail with the activities being undertaken by the Interim Director, Strategic Development, and the further development of The Quality of Life Plan. In particular, there are Focus Groups planned around the District in early September, and the outcomes of these will feed into the budget process in the October/November cycle of committees.

The Budget Scenario For This Committee

- 9 In previous years this current cycle of Committees would result in each service Committee being set a target 'cash limit' for the next financial year. This is not the approach being adopted this year, as the Quality of Life Plan adds a significant new dimension to the Council's service and financial planning and requires more detailed work to be undertaken. Instead, Committees will receive their cash limits in the October/November committee cycle following the September meeting of the Resources Committee.
- 10 Committees are asked at this stage to focus on 3 key themes included in Appendix 2:
- Any known variances on budgets for the current year
 - Budget review items discussed at the August meetings. Further information on these will be presented in the next Committee cycle
 - Any other views, messages, or priorities that they wish to pass on to the Resources Committee at this stage
- 11 Appendix 2 contains an overview of this Committee's budget for the current year, with any known or projected variations highlighted. It is relatively early in the financial year, making accurate projections difficult and unreliable, although significant variations are normally rare. A full budget monitoring report will be submitted to each Committee during the October/November cycle.
- 12 Appendix 2 also contains, by way of brief note, any known, likely, or possible variations to budgets for the 2004/05 financial year, either by way of possible reductions, increased spending, or adjustments to fees and charges and other income. Each of these items for next year was discussed at the recent budget meetings with Members.

RECOMMENDED that this Committee

- 1 Notes any budget variances highlighted in Appendix 2.
- 2 Considers and approves the proposals for budget review contained in Appendix 2, providing any initial comments to the Resources Committee, pending a more detailed report being submitted in the next cycle of meetings.
- 3 Makes any other comments about Council priorities and budgets as they affect this Committee, again pending more information at your next meeting.

Background Papers: Guidance from Director of Resources on Budget Review meetings, Submissions from Heads of Service to Budget meetings, August 2003, Revenue Estimates Book 2003/04, and budgetary control reports for 2003/04.

Quality of Life Plan - Key Themes

Strong community leadership

More openness through public scrutiny

Improve access to services

Protect the environment and character of the district

Promote tourism and green leisure opportunities

Encourage low cost housing

Develop better opportunities for young people

Committee: Environment and Transport
Date: 9 September 2003
Agenda Item No: 8
Title: STREET CLEANSING AND VEHICLE MAINTENANCE CONTRACTS
Author: Richard Secker (01799) 510580

Summary

- 1 This report explains the background to the existing street cleansing and vehicle maintenance contracts and recommends extending both until 31 July 2006.

Background

- 2 When the contracts for street cleansing and vehicle maintenance were re-tendered in 1996 they were both for the period through to 31 March 2003 with an option to extend for a further period through to 31 July 2006.
- 3 These contracts were awarded to the Council's Direct Service Organisation (DSO) who submitted the lowest tenders. At the same time, the refuse collection contract was tendered and won by Ecovert Ltd as the lowest tenderer and for the same contract period as the DSO contracts.
- 4 Subsequently, in September 2002 this Committee agreed to extend the Ecovert refuse collection contract for the full ten years but as an interim arrangement to only extend the two DSO contracts by one year to 31 March 2004. This interim arrangement was agreed by Members because of the BV Review of Street Cleansing which was then in progress and an imminent programmed audit of vehicle and plant utilisation which included maintenance.
- 5 The action plan resulting from the Best Value Review of street cleansing identified a number of weaknesses with the DSO contractor provided services. These had resulted in the decline in standards over a period of time which were then obvious to the community and resulted in financial penalties for the contractor.
- 6 The problems very largely stemmed from the staff normally engaged on street cleansing duties being used on other DSO activities. These issues have been addressed by extra labour resources being engaged and some external contracts being re-negotiated or dropped. Similarly improved schedules have been produced to achieve the desired frequencies for both manual and mechanical sweeping of all areas.
- 7 The vehicle utilisation audit confirmed that high standards of inspection, maintenance, safety and operational availability were being achieved.

However, it was found that the vehicles were serviced at more frequent intervals than undertaken at all other authorities contacted during the audit and also more frequently than recommended by manufacturers. .

- 8 Following a recent Leader/Chairmen's Budget meeting some discussions are continuing on potential savings resulting from less frequent inspections. Should these discussions result in financial savings those would of course be reflected in the agreed monthly payments in the normal way.
- 9 Financially these contracts, which were competitively tendered and won by the DSO, have an annual inflation of RPI, which gives modest increases, and thereby limit the budget impacts. The alternative to these contract extensions would be to retender during 2004. However, experience elsewhere demonstrates that the waste management industry has consolidated in the last few years and costs have increased generally to all local authorities. These increases are similarly reflected in DSO bids when in competition for this work. In essence higher costs would be inevitable as a result of retendering.
- 10 Therefore, in order to give the required six months notice of contract extension to the DSO (by 1 October 2003) approval is required from this Committee.

RECOMMENDED that the Street Cleansing and Vehicle Maintenance contracts currently held by the DSO be extended for the period through to 31 July 2006.

Background Papers: Vehicle Maintenance Contract dated 1996
 Street Cleansing Contract dated 1996.

Committee: Environment & Transport Committee

Date: 9 September 2003

Agenda Item: 9

Title: Performance Management System:

Author: Ian Orton (01799) 510402

Summary

- 1 The authority introduced a limited form of Performance Management two years ago based on the quarterly reporting of sixteen Best Value Performance Indicators to Corporate Management Team. This approach made a lot of sense at the time because it used data that the authority was already collecting.
- 2 However as part of the audit of the Best Value Performance Plan for 2001/02 the District Auditor requested the council to:

Consider whether quarterly monitoring of performance information is providing a comprehensive picture of progress.
- 3 In addition the CPA Corporate Self Assessment asks:

Do Members and managers have the right mechanism and information to enable them to both manage and measure effectively?
- 4 To meet the above the authority needs to strengthen the range of Performance Information and report this on a regular basis to both Members and managers.

Background

- 5 To achieve this a comprehensive performance system has been developed using around 60 performance indicators that are already collected within the authority. A copy of these indicators is attached at Appendix A. The revised system builds on existing good practice but has been extended to include all the sections within Uttlesford District Council.
- 6 Members will note that the system provides a snap shop of both the service and corporate health of the council. In addition the system will measure the requirements for our Public Service Agreements with Essex County Council. The performance information will be reported quarterly to Members via Scrutiny One and Two and to managers via Corporate Management and Service Management Team. Information will also be shared throughout the council and with our partners via our monthly Policy & Performance Newsletter.

- 7 The format for reporting the performance information is important. To keep the process simple and straightforward it is recommended that the reporting of Performance is linked to a Traffic Light System. All performance measures will have a quarterly target and the reporting will be based:

Green for On Target to achieve agreed Performance Target

Amber for 10% slippage from agreed Performance Target

Red for more than 10% from agreed Performance Target

- 8 This report is being circulated to all Committee's of the council so that both the Policy and Scrutiny processes have the opportunity to comment on the Targets, Traffic Light System and methodology for the future. The report is linked to the piloting of the process and a further report outlining any changes to the process will be brought back to all Committees in the early New Year. The next stage of the Performance Management system will outline making use of the data to improve performance within the authority.

RECOMMENDED that:

- 1 the comments of Members are sought on the Range of Performance Measures, Performance Targets and use of a Traffic Light System
- 2 note that comments from Committees will be incorporated into a report on Performance Management for 2004/05. This report will be referred to all Committees in the early New Year.

Committee: Environment & Transport
Date: 9 September 2003
Agenda Item No. 10
Title: Golds Nurseries – progress report
Author: Rod Chamberlain 01799 510508

Summary

- 1 This report updates the Committee on the current position at Golds Nurseries Business Park.

Background

- 2 At the meeting of the Committee in June 2003 a progress report on the current situation of the lettings of the units at Golds Nurseries Business Park was requested for this meeting.

Current Position

- 3 Managing Agent - The Council has engaged a Managing Agent to advertise the units, to advise on the re-let of the vacant units, undertake the day-to-day management of the Estate, collect the rent and advise on any actions required. The Managing Agent will also carry out a regular inspection of the Estate and the Units and organise the maintenance of the grounds and communal areas. Advertising is taking place in the local and trade press.
- 4 Lease - Following commercial advice from the Managing Agent a new Underlease has been prepared by the Council, which is very thorough and will put the new lettings on a sound legal footing. The lease also has enough flexibility to make it attractive to potential tenants.
- 5 Dilapidations - In March the Council received a letter stating that the landlords were not satisfied with the progress of the significant outstanding repair works.
- 6 The Council subsequently received a notification stating that unless the Council could give its written assurance, at that time, that the works to remedy the dilapidations would be carried out within six months (September 2003) the Landlords would take legal action to make the Council carry out the work and/or obtain monetary damages.
- 7 The consequence of failing to give the required assurance and/or completing the works would have been an increase in costs because the Council could have been required to make a substantial contribution towards the Landlord's legal costs in addition to paying for the work to make good the dilapidations.

8 To avoid legal action being taken against the Council the work has been carried out as emergency work using schedule of rates contractors.

9 Work completed to date:

- All vacant units refurbished internally
- Grounds maintenance work complete
- Units cleaned externally
- New subframes (entrance doors) installed on all units
- New boundary fence erected
- Security devices and lighting installed
- Guttering replaced on all units

Work in progress:

- Cladding works

Estimated spend on site on dilapidations in the current year will be £80,000. The cost of this is being met by the current budget and earmarked reserves which was endorsed at the last meeting of the Committee.

10 Meetings with Existing Tenants - Meetings have been held with each of the existing tenants to explain how the Council intended to improve the estate. Now that works are under way all existing tenants have commented on the improved look of the estate.

Vandalism

11 Following a spate of vandalism in which many of the units were damaged security devices and lights were installed in April. Since the installation of this equipment there has been no vandalism.

Lettings

12 There are currently 6 occupied Units let on a mixture of formal leases, letter licences and periodic tenancies. The remaining 12 units are vacant and ready to let.

13 Market conditions are currently very difficult and challenging with a general imbalance between supply and demand. However, there is little comparable stock in this sector of the market and the Council's Managing Agent advises that the prospects for gradual reletting of the scheme over a period of time remain reasonable. However in the short term there has been very little progress in finding suitable tenants.

Head Landlord

14 Discussions with the Head Landlord continue regarding aspects of the leasing arrangements to try to obtain a better position for the Council. However, the suggestion put forward by the owners that the Council extend the lease period has been rejected.

The Way Forward

- 15 The Council is legally committed regarding this site until 2009 and there will be a revenue cost to the Council for this period. Hopefully if maximum lettings can be achieved this cost will be kept to a minimum. The budget will continue to be carefully monitored and an up to date position will be brought to the Committee during the next cycle of meetings, when current budgets are reviewed and draft budgets for next year are presented.

RECOMMENDED that the Committee notes the progress report.

Background Papers – Golds Nurseries files 1984 onwards