



TO COUNCILLOR:

G S Atwal
E R Barr
L A Bentley
Miss A R Bond
G A Boulter
J W Boyce
Mrs L M Broadley
F S Broadley
D M Carter (Deputy Mayor)

Mrs K M Chalk
Miss M V Chamberlain
M H Charlesworth
M L Darr
B Dave
R F Eaton
Mrs L Eaton
R E Fahey
D A Gamble

Mrs S Z Haq (Mayor)
J Kaufman
Dr T K Khong
Mrs H E Loydall
K J Loydall
Mrs S B Morris
R E R Morris
R H Thakor

Dear Councillor *et al*

I hereby **SUMMON** you to attend an **EXTRAORDINARY** meeting of the **COUNCIL** to be held at the **COUNCIL OFFICES, STATION ROAD, WIGSTON** on **THURSDAY, 6 JULY 2017** at **7.00 PM** for the transaction of the business set out in the Agenda below.

Yours faithfully

Council Offices
Wigston
29 June 2017

Mark Hall
Chief Executive

<u>ITEM NO.</u>	<u>AGENDA UPDATE</u>	<u>PAGE NO'S</u>
4.	Budget Options 2018/19 and 2019/2020	1 - 4
	Report of the Interim Chief Finance Officer / Section 151 Officer.	
a)	Part I - Open Session	5 - 29
b)	Exclusion of Press and Public	
	The press and public are likely to be excluded from the remainder of the meeting in accordance with section 100(A)(4) of the Local Government Act 1972 (Exempt Information) during consideration of the item(s) below on the grounds that it involves the likely disclosure of exempt information, as defined in the respective paragraph(s) 1 and 2 of Part 1 of Schedule 12A of the Act and, that in all the circumstances, the public interest in maintaining the exempt item(s) outweighs the public interest in disclosing the information.	
c)	Part II - Closed Session	30 - 33



For more information, please contact:

Democratic Services

Oadby and Wigston Borough Council
Council Offices
Station Road, Wigston
Leicestershire
LE18 2DR

t: (0116) 257 2643

e: democratic.services@oadby-wigston.gov.uk



Council (Extraordinary)	Thursday, 06 July 2017	Matter for Information and Decision
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Title: **Budget Options 2018/19 and 2019/2020**

Author(s): **Martin Hone (Interim Chief Finance Officer / Section 151 Officer)**

1. Introduction

The Council's agreed Medium-Term Financial Strategy (MTFS) covers the period 2017/18 to 2019/20. In order to achieve balanced budgets in each of the financial years within the MTFS, a net reduction in expenditure of £1.4 million is required, to respond to:

- Reduction in support grants from government;
- Changes to the recycling credit scheme with Leicestershire County Council;
- Demographic changes in the population of Oadby & Wigston Borough;
- Increased demands for services and customer expectations; and
- Inflation and other economic factors.

This report reflects the findings of the Local Government Association (LGA) Peer Challenge conducted in March 2017, specifically:

- Delivering the MTFS providing savings options for Members;
- Implementing ICT and Asset management Strategies; and
- Finalising the management structure.

2. Recommendation(s)

That Council:

Reviews the various budget options set out in this report and provides advice and guidance to Senior Management Team:

- (i) To allow the Senior Management Team (SMT) to produce a robust programme of projects and schemes to be brought forward as part of the budget plans for 2018/19 later in the year; and
- (ii) That achieves the planned net reduction in spending of £700,000 by 2019/20 set out in the Council's Medium Term Financial Strategy.

3. Information

- 3.1. In October 2016, the Council submitted its four-year efficiency plan to the Department of Communities and Local Government. This was agreed with the department and as a result the Council has received details of its government grants for the next four years. The four-year settlement increases the stability of the Council's MTFS by providing a greater level of certainty about funding, although it should be noted that it relates only to Revenue Support Grant which is a decreasing proportion of total Council funding. It does however help shape future budget strategy, forecast available resources to support services and thus provide more certainty about the level of net savings required to balance the books.

3.2. The efficiency plan summarises parts of the Council's Corporate Plan and its MTFS.

The efficiency strategy has three themes:

- The Council's approach to delivering net savings of £1.4 million by financial year 2019/20;
- How new flexibilities in the use of capital receipts might be used; and Prudential indicators for 2016-2019 to ensure that any borrowing by the Council is affordable in the medium to long term.

3.3. This report focuses on the first theme: the delivery of net savings of £1.4 million by 2020. To become more efficient and effective the Council must:

- Ensure that it is budgeting for and spending on priorities;
- Continue to improve the management information available on productivity, quality and performance;
- Consider alternative methods of service delivery, including collaboration and joint working to deliver services; and
- Identify opportunities for generating additional income streams.

3.4. Inevitably this will require difficult decisions to be taken and developing new approaches to find further ways to increase efficiency and reduce net spending. Most councils need to increase significantly the level of savings made – this is not unique to Oadby & Wigston. Strong leadership from both elected Members and officers will be paramount in continuing to challenge, monitor and support the Council to deliver the ongoing efficiency and productivity improvements required.

3.5. In preparing the latest iteration of the Council's MTFS, the policies set out in the budget report to Council in February 2017 have been extended over the planning period to 2019/20:

- More active asset management – this could yield full year savings of £250k.
- Service review and redesign placing residents at the heart of the process – this could yield full year savings of £650k;
- 'Invest to save' schemes, where one-off expenditure achieves continuing revenue savings or additional income – this could yield full year savings of £100k;
- Never adopting any schemes, projects or services that are not first demonstrated to be at least cost neutral and therefore will not be an additional burden to local Council Tax payers; and
- Commitment to building more houses – this could yield full year additional income of £150k via New Homes Bonus and rent income.

3.6. Of the £1.4 million net savings required by 2020, £700,000 was identified when setting the budget for 2017/18. This leaves a further £700,000 to be found over the next two years. The MTFS anticipates that the net saving will be found in two 'lots' of £350,000: the first to be delivered in 2018/19 and the second in 2019/20.

3.7. Since Council agreed the budget for 2017/18 in February 2017, the Council's SMT has been working with service managers across the Council to develop proposals for net savings (that is, either reductions in spending or increases in income) that reflect the Council's financial plans as set out in the four-year efficiency plan and the MTFS. The next section of this report sets out SMT's proposals; at this stage Council is not being asked to agree any of these, but rather to provide guidance and direction to shape the more detailed working up of options which must take place later this year in order to

allow specific target reductions in net expenditure to be included in the draft 2018/19 budget and the next iteration of the MTFS.

- 3.8. All of the potential options are set out in the attached appendices and are listed below. Some will require consultation and a mobilisation period before planned reductions in net expenditure can be delivered. Some of the proposals have a longer lead time than others, so the challenge for the Council will be to finalise a robust programme of projects and schemes and achieve them in a timeframe that achieves the net reduction in spending of £700,000 by 2019/20.

The potential Option Papers attached are:

Part I – Open Session

- a. Materials Recycling Facility (MRF)
- b. Wholly Owned Housing Company
- c. Brocks Hill
- d. Public Toilets
- e. Green Waste
- f. Refuse and Recycling Collections
- g. Car Parking
- h. Administrative Offices

Part II – Closed Session

- i. Discretionary Services
- j. Vacant Chief Executive Position

Background Documents:

Medium-Term Financial Strategy (MTFS) (2017/18 to 2019/20)
Local Government Association (LGA) Peer Challenge Report (June 2017)

E-mail: martin.hone@oadby-wigston.gov.uk

Tel: (0116) 257 2645

(Continued overleaf)

Implications	
Financial	As set out in the body of the report and option papers.
Martin Hone (Interim Chief Finance Officer / Section 151 Officer)	
Legal	As set out in the body of the report and option papers.
Anne Court (Director of Services / Monitoring Officer)	
Corporate Risk(s) (CR)	<input checked="" type="checkbox"/> Decreasing Financial Resources (CR1) <input checked="" type="checkbox"/> Key Supplier/Partnership Failure (CR2) <input checked="" type="checkbox"/> Political Dynamics (CR3) <input checked="" type="checkbox"/> Reputation Damage (CR4) <input checked="" type="checkbox"/> Effective Utilisation of Assets/Buildings (CR5) <input checked="" type="checkbox"/> Organisational/Transformational Change (CR8) <input checked="" type="checkbox"/> Economy/Regeneration (CR9)
Martin Hone (Interim Chief Finance Officer / Section 151 Officer)	
Corporate Priorities (CP)	<input checked="" type="checkbox"/> An Inclusive and Engaged Borough (CP1) <input checked="" type="checkbox"/> Effective Service Provision (CP2) <input checked="" type="checkbox"/> Balanced Economic Development (CP3) <input checked="" type="checkbox"/> Green & Safe Places (CP4) <input checked="" type="checkbox"/> Wellbeing for All (CP5)
Martin Hone (Interim Chief Finance Officer / Section 151 Officer)	
Vision & Values (V)	<input checked="" type="checkbox"/> "A Strong Borough Together" (Vision) <input checked="" type="checkbox"/> Accountability (V1) <input checked="" type="checkbox"/> Respect (V2) <input checked="" type="checkbox"/> Teamwork (V3) <input checked="" type="checkbox"/> Innovation (V4) <input checked="" type="checkbox"/> Customer Focus (V5)
Martin Hone (Interim Chief Finance Officer / Section 151 Officer)	
Equalities & Equality Assessment(s) (EA)	<p>An Initial EA Screening will be undertaken once Members have provided their direction and guidance.</p> <input checked="" type="checkbox"/> Initial EA Screening <input type="checkbox"/> Full EA Assessment <input type="checkbox"/> Not Applicable
Martin Hone (Interim Chief Finance Officer / Section 151 Officer)	

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a. Potential Closure of the Materials Recycling Centre (MRF)

Potential Implementation from 2018

Potential annual savings of £20,000

1. Present Situation

As set out in Paper F of this report that considers the recycling collection service, Leicestershire County Council have stated that they intend to stop paying all districts recycling credits for recycling as well as redirecting where the councils dispose of the recycling they collect. This means that this Council will no longer be able to sell recyclates, which has over the last ten years been a major income stream for the Council. The loss of recycling credits is already build into the MTFs, but the final decision by the County Council was not concluded until September 2016 and the financial impact of their final decision is therefore not fully included in the latest version of the MTFs. A significant loss of income has already been taken into account in the MTFs. The closure of the MRF would therefore save the Council £20,000 per year by offsetting the annual running costs against the annual loss of income from sales.

2. Options

It should be noted that since the County Council will stop paying recycling credits and prevent the Council from selling its recycling then the operational reality is that the Council has no choice other than to close the MRF as there will be no income to offset any of the MRF's operating costs. The County Council's direction notice will come into force on 1st April 2018. From the residents' perspective the service would not change other than that the public would be able to comingle all of their recyclables into one bag rather than have to separate them into two as they do at the moment.

b. Wholly Owned Housing Company

Implementation 2018

Potential annual income of £50,000 to £75,000.

1. Present Situation

The Council has recently set up a Housing Company which will provide accommodation in the rented sector while also tackling Homelessness which is an increasing problem. The company's structure was agreed at May 2017 Council and governance was agreed at June 2017 Council.

Income will be generated and passed on to the Council via a dividend. However significant dividends are unlikely to accrue until 2019/20 after which they could become substantial. Income to the Council's general fund in 2018/19 is likely to evolve around the cost of borrowing which is passed on to the Housing Company and is based on borrowing of around £3,500,000 at that time and savings on homeless expenditure. A more detailed proposal, explaining the timing of borrowing, expenditure and impact on housing will be brought to Council once the company's detailed business plan has been drafted and submitted to the new Council Advisory Board for review later in the calendar year.

2. Options

The Company has been set up and is ready to operate in accordance with the reports to members in May and June 2017. The first year of the business plan identifies an income stream of £50,000 which has been reflected in this paper. Additional income will be generated as the Company established itself.

c. Reducing the Revenue Costs at Brocks Hill, Oadby

Potential implementation from 2018

Potential annual savings of £100,000

1. Present situation

The Country Park

The site at Brocks Hill consists of a country park and centre. The country park (park) is 30 hectares of mixed woodland, meadow and wetland habitats which includes a community orchard, sculpture trail with accessible paths and an amphitheatre. A number of the habitats have conservation status for their species quality. Popular play areas and den building, free car parking, alongside the site being open 24/7 means it is a well used and vibrant open space.

Educational visits for schools are popular and the recent cost effectiveness change to some "self-lead" activities/school visits have already proved to be successful. Likewise the strategy for the amphitheatre use has also changed to make best use of the facility without the typical cost risks to the Council associated with putting on outdoor productions. Groups are now encouraged to utilise the space, bring all equipment including staging and generators, to run their musical/production. OWBC then receives a share of the profits, with no input other than assisting with the promotion .

The park is managed and maintained by the Park Warden, the resources of the Council's grounds maintenance team and significant input from volunteers.

This report is not proposing any changes to the current level of activities at the park nor to the responsibility for the management and maintenance of the park. The country park and barns will continue to be overseen by the Park Warden ensuring the important biodiversity and conservation elements continue to flourish and nationally accredited standards are maintained. The park will continue to be open to all and events such as the annual garden party, cross-country events, Volunteer fairs etc. will continue to be held and promoted.

The current volunteering element will not alter. The Park Warden and the Heritage Lottery funded project will enable the sustainability of both on-site and off-site volunteering opportunities/works to continue.

The Centre

The Brocks Hill centre was intended to be a showcase and exemplar of sustainable technology, to encourage take up of “green” technology and reduce the environmental impact of buildings and their occupancy.

Much of the technology in the building is now obsolete and no longer functioning. The building itself has some flaws in its design and construction and the centre has required and will continue to require significant capital investment and maintenance costs to meet current usage levels and address access and health and safety issues.

Despite the above, the centre’s setting within the park is a pleasant environment. The centre currently provides office accommodation for OWBC staff, leased space to The Conservation Volunteers (TCV) a reception/shop, cafe and toilets for visitors to the park or centre users. A varied programme of events and activities are held throughout the year in the exhibition hall and the meeting room can be hired for educational or business purposes.

The centre is open all but 4 days a year.

There has been a significant amount of effort in recent years to increase the income of the centre which has included online marketing and use of social media particularly to attract young people; marketing to address competition by joined up opportunities under the tourism links through Leicestershire Promotions; increased promotion of room hire; increased volunteer participation. Despite all of this, the centre continues to run at a significant loss. The financial position of the running costs of the centre are set out below. This is followed with strategic options for the future management/use of the centre.

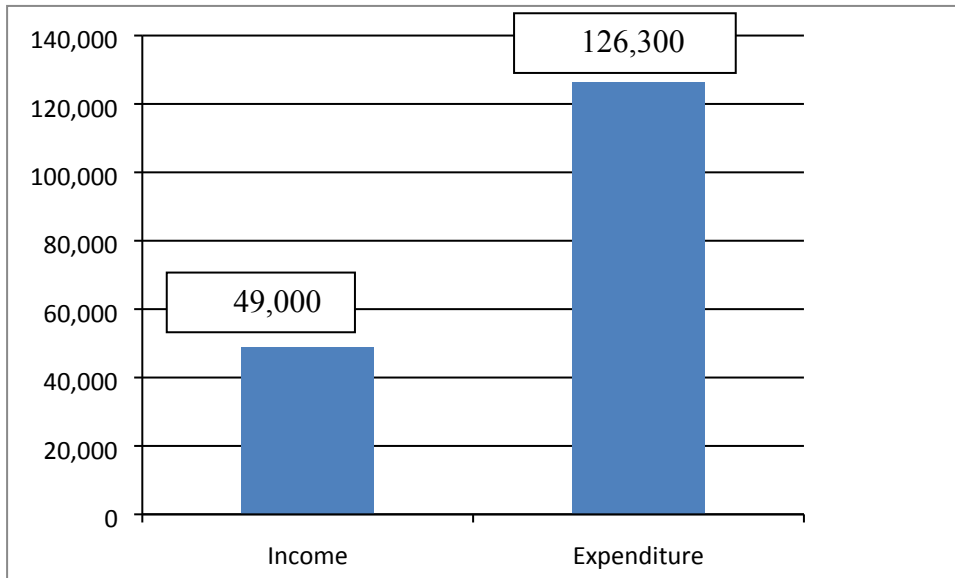
2. The Financial Position

It is understood cost neutrality has not been achieved by any Country Park service in the UK, particularly one that does not charge for car parking and entrance.

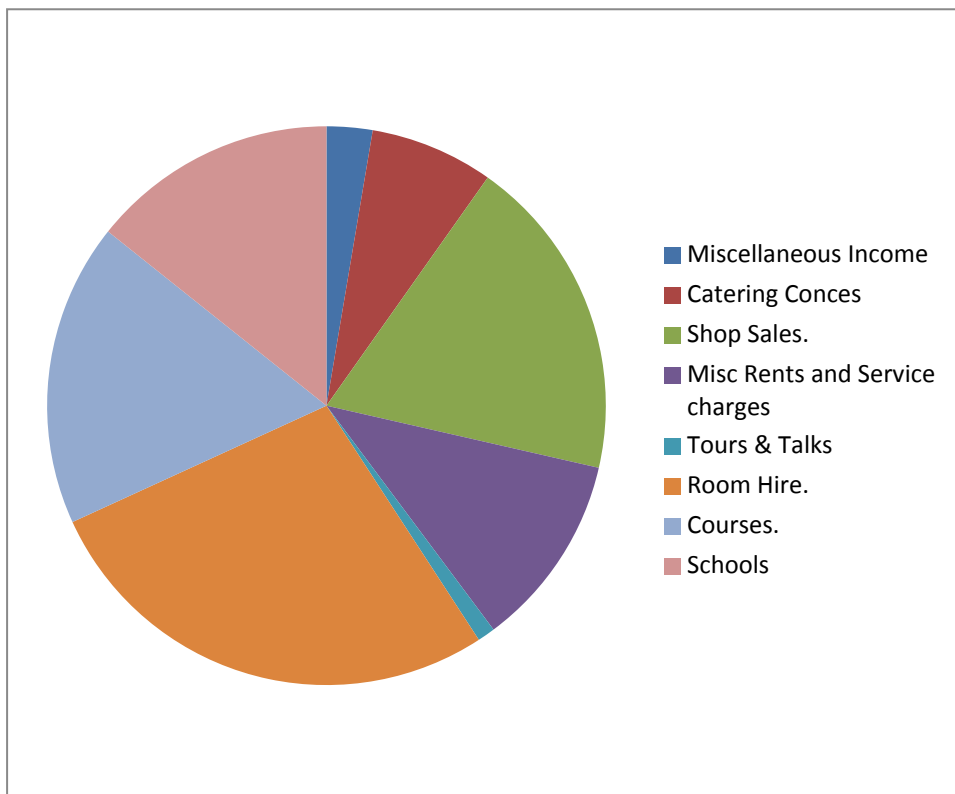
At present the centre includes salary costs for staff who work on the “Greening the Borough” corporate priority. Once this cost is removed the expenditure cost of the Brocks Hill Centre operation for 2017/18 is £126.3 k with income at £49k(c/f yr 14/15 expenditure was £164.3 k and income £52k, a loss of £112,k).

This year's decrease in expenditure is due to salary savings in 15/16. It is not envisaged further significant staff savings can be made if the centre continues to operate as now. As can be seen income is falling.

Income / Expenditure



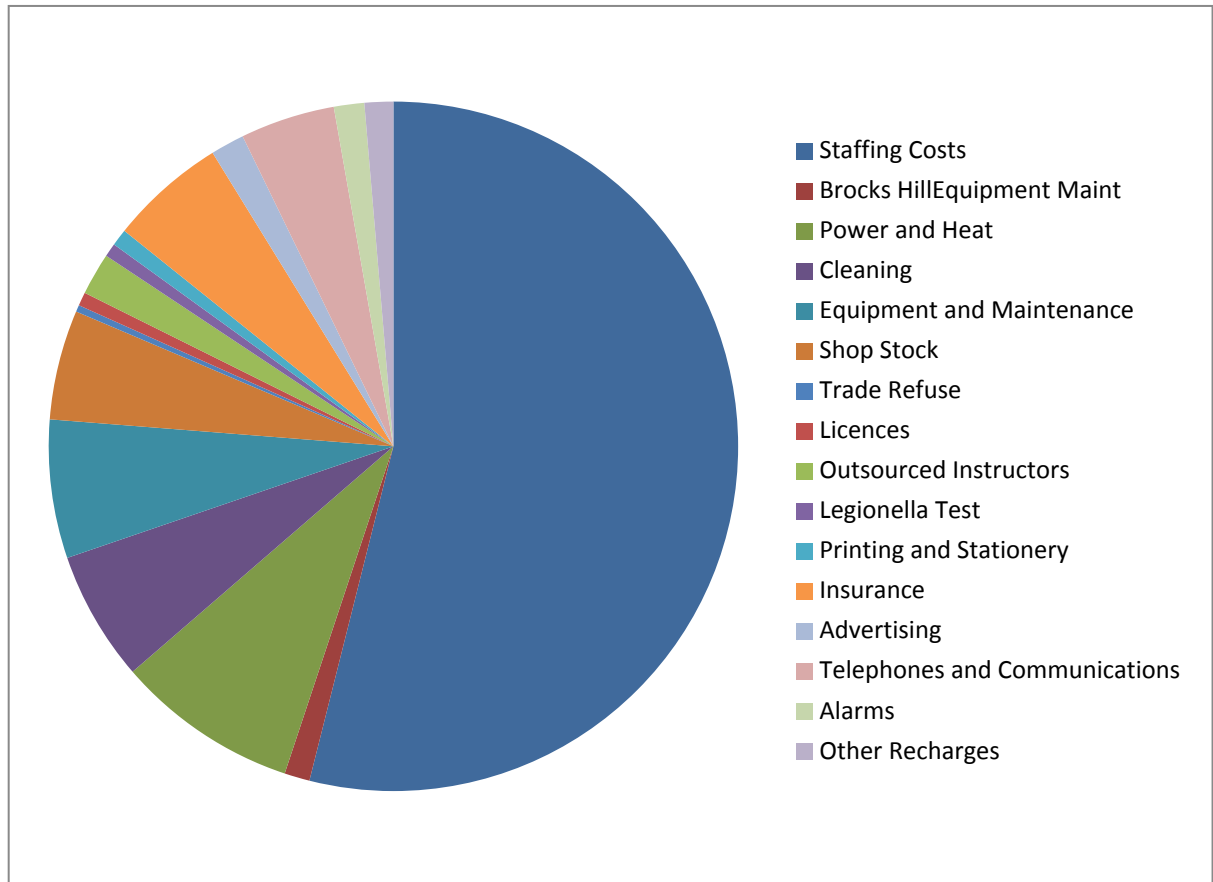
Income Chart 2017/18 - predicted



The major sources of income are:

- Rent/room hire – income makes up 27% at £13.4k The majority of hirers are community type groups/childrens parties/other public authorities eg NHS, for which charging rates are limited. Despite increased marketing there has not been a regular take up from the private commercial sector to generate increased fees. The main reason is likely to be due to the limitations of size and design of the facility and lack of car parking. On this basis the potential for increased revenue from hire is low.
- Sales – Although shop sales income appears significant at 19% of the income the actual profit is low. Stock cost alone is £6.5k giving a maximum net income of approx £3k, ignoring staff costs (which tend to be marginal). Shopping is very much a secondary activity usually related to activities undertaken whilst in the park.
- Activities are offered most days of school holidays for families; for adults on a fortnightly basis and for schools. This is a weather dependant and unpredictable market. A number of these activities are delivered through outsourced instructors which gives a maximum net income of approx £12k. With self-serve activities to save on internal and external resource costs, income will decrease.
- Catering – Whilst there is a small budgetary provision for £3.5k catering income from potential profit share etc. there is currently no catering income as the café has operated either at a loss or a small profit in past years and only now is breaking even. On this basis it is not expected there will be any significant profit share in the short term future. The cafe made net losses of £15.5k and £19.3k respectively in 2012/13 and 2013/14 when running the service in-house. When previously outsourced as a franchise, income from the arrangement was only approximately £3.5k per annum. Since 2014/15 SLM took on the management of the cafe on an interim basis whilst the adjacent Parklands leisure centre cafe was closed for refurbishment. Between June 2014 and May 2015 the cafe made a net loss of £13.8k but by 16/17 has broken even. The interim arrangement has continued whilst options for the centre are being considered. Secondary sales are small given the number of people who visit the site.

Expenditure



- Centre support staff and central support charges – these represent by far the largest element of costs at £68k due to the centre being open all but four days a year. Current contracts are such that staffing costs are higher than would be found in the commercial sector e.g. bank holiday opening incurs double time charges, etc. Central support costs are high as with many public service budgets due to the democratic and other on-costs not present in the private sector. These costs would have to be borne elsewhere if the centre did not exist.
- Maintenance and running costs of the building – the maintenance budget for the building is unrealistically small. The problem appears to be that when the centre was built, an appropriate budget was not factored in to cover ongoing maintenance/wear and tear to the fabric of the building. Whilst recently there has been a routine maintenance and refresh plan implemented mainly through capital works there are ongoing problems that need to be addressed, such as the heating system. A condition survey is due to be carried out.

3. Summary of Strategic Options

3.1 Demolition or Sale

The centre could be demolished or put on the market as it has outlived its initial purpose and could be seen as surplus to the Council's requirements. Accommodation for staff and TCV based at the centre could be found elsewhere within the Council's assets. There would be significant demolition costs estimated to be at least £100k. The much needed additional car parking across the Parklands/Brocks Hill site could however be provided through demolition. In terms of a sale, the price could be affected by the location of the building within the wider leisure facility which would be difficult for some but attractive for others. Sale could also bring about the development options below but provided by a private company. This option may trigger a requirement to return some of the funding previously received.

3.2 Admission Charge

Review access to the site and reduce points of access so a charged admission can be made to the park and/or for car parking.

3.3 Continue In-house Provision

Initiatives undertaken in recent years to increase income have been mentioned above. Whilst there are still some opportunities to grow income these will not bring about dramatic increases. These include:-

- Continue to promote room hire for events and commissioned activities.
- Continue to review and monitor revenue utility spends.
- Review current catering arrangements to bring in an income to the Council/ make new uses possible and increase secondary spend. Profit share in an outsourced arrangement is unlikely to make any significant contribution to reducing operational deficit and in-house provision has the associated salary and central support costs. Whilst there is considerable potential for seasonal growth of sales such as ice creams if an external kiosk was to be added, again this would not generate significant income to reduce operational deficits.

- Develop greater retail opportunities on a commissioned sales or rentable concession space to increase secondary spends. As above whilst there is potential this would not generate significant income to reduce operational deficits.
- Restructure the staffing and contracts to move to annualised hours and demand led expenditure. This is likely to impact on the centre being open at certain times of the year.

3.4 Operation by a Not for Profit Organisation / Charity / Community Group

Due to the scale of the facility and its role across the borough, it is unlikely that a suitable community group could be found to operate the centre. A conservation group offered to take on the management of the centre for an annual bursary of between £100k -£125k per annum for a minimum of 3 years with an option to leave if it proved unsustainable.

3.5 Redevelopment

Potentially part or all of the existing centre could be redeveloped to provide for example:-

- Pre-school child care
- Health spa
- Restaurant

Other options have been considered but rejected due to the size of the building and high costs of extending the footprint. This could be done with the Council retaining ownership and overall control but contracting out or leasing the building to potential partners/investors. It would not necessarily continue the centre's intended purpose

3.6 Operation by a Private Profit Making Organisation/Existing Partner which substantially retains the ethos of the existing Centre

The overall site is shared with Parklands Leisure Centre, operated by leisure contractor, SLM. The current leisure contract arrangements allows for the relationship to be extended.

Whilst we could open this opportunity out for tender to other private leisure operators, this would inevitably provide a negative competitive

market where both SLM and another private operator would be competing for business, at the cost of the service provision to residents.

SLM already have a track record of delivery and working well in partnership with the Council as the recent Peer Challenge report specifically commented upon:

"The Council took a decision to make a significant investment in the Leisure offer which has proven to be a great success and continues to significantly outperform the estimated participation and income. The working relationship with the private sector Leisure provider SLM Everyone Active is an excellent example of partnership working which effectively delivers one of the core priorities of the Council and is an example of best practice. OWBC's private sector provider makes strong links between leisure, health and wellbeing agendas in its delivery and this aligns very well with the Council's own well-being aspirations"

Recently, the Council's leisure provider, SLM Ltd, have put forward a proposal for them to run the Brocks Hill centre which would free up space at Parklands and provide space for new innovative equipment both inside the centre and Parklands which would significantly improve the service offer to the public.

The proposal in more detail would involve:-

- SLM to run the centre with a focus on education and activity, retaining the existing café.
- SLM to run the centre on a lease and full repair basis (subject to a full building condition survey and remedial works actioned/agreed).
- The Country Park and Volunteer Service to be retained by Council.

The focus on service delivery would be:-

- Education – heavily market to schools (utilise SLM's existing extensive database) to promote use of the activity space for educational classes based around an environmental/outdoor/Country Park/activity theme.
- Education – link to existing holiday activity camps held at Parklands, offering a more varied and educational experience.

- Activity – a percentage of the existing activity sessions held in the sports hall at Parklands (eg kurling, tumble tots, exercise classes during the day; cheerleading, gymnastics, martial arts in the evening) to be held in a new activity space at the centre. This would be facilitated by knocking the meeting room and exhibition hall together to make one large activity space.
- Activity – utilise the Park for outdoor based fitness classes linked to Parklands leisure contract programme.
- Activity – the above transfer of some of the existing activity sessions from Parklands to the centre will enable part of the sports hall at Parklands to be converted to a combined “soft play and clip n’climb” facility.
- The above is expected to maintain current (sports hall) participation rates, but spread across both activity spaces and with the soft play etc. facility should significantly increase participation opportunities for an under provided for market segment
- **Café**
Maintain provision including catering for conference/meetings (which the centre can still be used for). Users of the country park will still be able to use the café.

The Benefits

- Significant revenue savings for OWBC (£77k plus potential increased profit share from the contract due to expanding activities)
- More comprehensive service provision – Brocks Hill & Parklands.
- Increased emphasis on educational offering.
- Increased activity participation across a wider variety of activities.
- Awareness – SLM will utilise existing database (49k card holders in the community) to raise awareness of Brocks Hill and the country park.
- Council relieved of all asset responsibility.
- Country park service maintained by Council.

- Long term future of Brocks Hill assured and increase in participation.
- Championing biodiversity and increasing visitor understanding and appreciation of the natural environment;
- Encouraging greater activity and addressing health and well-being issues.

Risk

- Outcome of Brocks Hill building condition survey and costs of remedial works (but partnership approach will be taken).
- Planning approval needed for developments at both Brocks Hill and Parklands (including car park extension).
- Realisation of proposed car park extension.
- Realisation of predicted participation rates for soft play & climbing.
- Ability of SLM to increase income generation at Brocks Hill.
- Reduced capacity for 5-a-side (but mainly casual bookings and can be accommodated elsewhere).
- Potential implications for TUPE transferred staff (3: 1 FT and 2 PT).

Finances

£77k + revenue savings with potential increased income from profit share arrangement. This would be over the next 17 years (running concurrently with the existing leisure contract) and equates to £1.309million savings over the life of the contract with the additional potential for significant increased participation numbers and associated health and wellbeing benefits.

The investment in soft play and climbing wall equipment, reconfiguration to existing structures, building works and associated costs are estimated to be several hundred thousand pounds. This can be funded through capital borrowing repaid over the life of the contract. Even if the Council did not invest in this proposal, significant capital investment would still be needed to bring the existing centre up to acceptable standards.

d. Potential Closure of Public Toilets

Potential Implementation from 2017

Potential annual savings of £40,000

1. Present Situation

Public Conveniences are a fully discretionary service and cost the authority around £40,000 per annum in recurring revenue costs. £40,000 would be immediately saved in running and repairs costs. NNDR would only be saved if the Council either removed the conveniences completely or converted them into park storage or laid out additional free parking spaces where appropriate. Five additional spaces could be created on each of East Street and Junction Road car parks.

2. Locations and Facilities:

East Street Car Park , Oadby	Superloo – 20p per visit	Plus Civil Enforcement Officers office, canteen & toilet / service room – used by Oadby Barrow Man
Junction Road Wigston	Free	Ladies / gents / disabled / service room used by Wigston Barrow Man
Willow Park/Aylestone Lane, Wigston	Free	Unisex toilet at front and disabled toilet at rear
Peace Memorial Park – Wigston	Free	Ladies / gents / disabled / service room used by Grounds Maintenance
Blaby Road South Wigston	Superloo – 20p per visit	Stand alone unit
Wigston Cemetery	Free	Unisex single toilet block

3. Usage

Usage of conveniences is low. "Superloo" income for 2016/17 was £275.80 equating to 1,379 visits per year @ 20p per visit. This therefore equates to less than five visits a day for both toilets. There are no usage figures available for the other toilets but when they have been closed for maintenance works there have been no complaints from the public.

4. Options

4.1 Keep the public toilets open as now

There would be no revenue savings. If the Council were to retain the toilets then it is estimated that it would need to spend in the region of £25,000 if it wished to upgrade the facilities to a reasonable standard.

4.2 Close all of the public toilets

Clearly the main focus will be on the three town centre toilets at East Street, Junction Road and Blaby Road Park and in each case alternative facilities are available very locally in shops and restaurants.

If the Council were to decide to close these toilets then there is the possibility of putting in place bespoke arrangements with specific local shops and restaurants where they are willing, together with the Council, to advertise them as being public toilets for general use. The Council could support this by paying these businesses an annual grant that, for instance, would cover the cost of their consumables. This would also guarantee a better standard of facility that can be monitored, overseen and managed in a way that the Council is not able to do with its existing toilet stock. These arrangements would also increase footfall into those local business where there is a greater chance that users would then stop and spend money.

There are existing toilets in the Pavilion at Peace Memorial Park which would be able to be used whenever that facility is open.

The cost of demolishing a toilet block would be approximately £10,000 per block.

Alternative arrangements would have to be put in place for the two Car Park Enforcement staff and the storage of the town centre barrows.

Notwithstanding the above any reduction in service is likely to be unpopular with the public.

4.3 Keep a combination of public toilets open

There would be limited revenue savings depending on which combination was agreed.

e. Potential Introduce a charge for collecting 'Green' Garden Waste

Potential Implementation from 2018

Potential annual additional income of £270,000 to £350,000.

1. Present Situation

A large number of authorities are now charging for green waste which is a non-statutory service. At the beginning of 2016/17 the average charge in the East Midlands was £35 per annum. With the exception of North West Leicestershire all of the district councils in Leicestershire charge for this service.

2. Options

The Council has been providing a wheelie bin service free of charge for two years and about 17,000 bins are already in use in the borough from a total of 23,000 properties. Initial research suggests that there is scope to increase supply of wheelie bins further to households who currently use bags.

If the Council introduced a charge for the service it would have to operate on a bin only service and collection of bags would have to cease.

Net income from introducing a charge would obviously depend on the annual charge and the level of take-up. For example if the Council were to charge the East Midlands average of £35 per annum, a take-up of 45% would be required to achieve net income in a full year of £350,000. However, a lower annual fee might lead to increased take-up. Attached is a paper that sets out a matrix of potential income levels dependent upon the fee to be charged and the suggested level of take up.

If a fee were to be charged then a unique annual bin sticker would be sent out each year to identify which properties have paid so that the collection crews know which bins to empty. The Council would leave any existing bins out if residents wanted to keep them but would also collect them in if residents request that they be removed.

Green Waste Collections Estimated Take Up and Income Predictions

	Take Up %age	£20.00	£25.00	£30.00	£35.00	£40.00	£45.00	£50.00
	Based on the current estimated number of green wheelie bins (17,000) distributed in the borough at the present date. Estimated take up is based on experiences of other local authorities	10	34,000	42,500	51,000	59,500	68,000	76,500
15		51,000	63,750	76,500	89,250	102,000	114,750	127,500
20		68,000	85,000	102,000	119,000	136,000	153,000	170,000
25		85,000	106,250	127,500	148,750	170,000	191,250	212,500
30		102,000	127,500	153,000	178,500	204,000	229,500	255,000
35		119,000	148,750	178,500	208,250	238,000	267,750	297,500
40		136,000	170,000	204,000	238,000	272,000	306,000	340,000
45		153,000	191,250	229,500	267,750	306,000	344,250	382,500
50		170,000	212,500	255,000	297,500	340,000	382,500	425,000
55		187,000	233,750	280,500	327,250	374,000	420,750	467,500
60		204,000	255,000	306,000	357,000	408,000	459,000	510,000
65		221,000	276,250	331,500	386,750	442,000	497,250	552,500
70		238,000	297,500	357,000	416,500	476,000	535,500	595,000
75		255,000	318,750	382,500	446,250	510,000	573,750	637,500
80		272,000	340,000	408,000	476,000	544,000	612,000	680,000
85		289,000	361,250	433,500	505,750	578,000	650,250	722,500
90		306,000	382,500	459,000	535,500	612,000	688,500	765,000
95	323,000	403,750	484,500	565,250	646,000	726,750	807,500	
100	340,000	425,000	510,000	595,000	680,000	765,000	850,000	
	Take Up %age	£20.00	£25.00	£30.00	£35.00	£40.00	£45.00	£50.00
Based on the estimated maximum number of properties (22,000) that green waste could be collected from. Estimated take up is based on experiences of other local authorities	10	44,000	55,000	66,000	77,000	88,000	99,000	110,000
	15	66,000	82,500	99,000	115,500	132,000	148,500	165,000
	20	88,000	110,000	132,000	154,000	176,000	198,000	220,000
	25	110,000	137,500	165,000	192,500	220,000	247,500	275,000
	30	132,000	165,000	198,000	231,000	264,000	297,000	330,000
	35	154,000	192,500	231,000	269,500	308,000	346,500	385,000
	40	176,000	220,000	264,000	308,000	352,000	396,000	440,000
	45	198,000	247,500	297,000	346,500	396,000	445,500	495,000
	50	220,000	275,000	330,000	385,000	440,000	495,000	550,000
	55	242,000	302,500	363,000	423,500	484,000	544,500	605,000
	60	264,000	330,000	396,000	462,000	528,000	594,000	660,000
	65	286,000	357,500	429,000	500,500	572,000	643,500	715,000
	70	308,000	385,000	462,000	539,000	616,000	693,000	770,000
	75	330,000	412,500	495,000	577,500	660,000	742,500	825,000
	80	352,000	440,000	528,000	616,000	704,000	792,000	880,000
	85	374,000	467,500	561,000	654,500	748,000	841,500	935,000
	90	396,000	495,000	594,000	693,000	792,000	891,000	990,000
95	418,000	522,500	627,000	731,500	836,000	940,500	1,045,000	
100	440,000	550,000	660,000	770,000	880,000	990,000	1,100,000	

f. Potential Changes the Refuse and Recycling Collection Service

Potential Implementation from 2018

Potential annual savings between nil to £350,000 per year

1. Present Situation

- **Recycling Targets**

The EU/UK recycling target has been set at achieving 50% by 2020.

Leicestershire as a whole and Oadby & Wigston specifically, are currently recycling just under 50% of waste per year. It should also be noted that national statistics show that Oadby & Wigston residents create and put out much less waste than nearly every other council area in the country.

- **Collection Methods**

Latest statistics show that nationally:

- a. Over 60% of Councils collect residual waste on a two weekly basis using wheeled bins.
- b. 10% of Councils collect refuse weekly using wheeled bins.
- c. 30% of Councils collect refuse on a weekly basis using bags.
- d. A number of councils are now also experimenting with three weekly collections.

- **Leicestershire**

All districts in the county and the city collect residual waste (refuse) using wheeled bins with all having a fortnightly collection. The only exception to this, other than Oadby & Wigston, is Blaby who use wheeled bins and collect weekly. It is understood that Blaby will be collecting refuse every two weeks from April 2018.

Four districts collect recycling in wheeled bins every two weeks where residents mix all their recycling together. The other three districts including Oadby & Wigston collect recycling that has some element of pre-sorting by residents.

2. Summary of Refuse and Recycling Services Provided by the Council

- **Weekly Refuse Collection**

Residents can put out up to three black 40 litre bags per week at the kerbside. The resident is expected to provide the bags at their cost. The Council will not collect waste in any other receptacle but will collect one black 40 litre bag and one normal dustbin if the resident does not want to use just bags. Once the waste has been collected it is taken to the Whetstone transfer station where the County Council then transport it onwards to their landfill site. The Council collects approximately 8,000 tonnes of refuse per year.

The Council has recently procured a new modern and flexible fleet of refuse vehicles which can collect both wheeled bins and bags. It should be noted there also

continues to be significant ongoing health and safety concerns about crews collecting bags specifically with regards to sharp injuries and weight.

- **Weekly Recycling Collection**

Residents can put out an unlimited amount of recycling at the kerbside for collection in the green and brown bags. An unlimited amount of green and brown bags are available from the Council on request and are supplied free of charge. The Council collects approximately 4,000 tonnes of recycling each year.

Once the recycling has been collected it is delivered to the Oadby & Wigston depot where it is further sorted in the Council's Material Recycling Facility (MRF). This creates several pure waste streams that enables the Council to sell the recyclables to merchants who collect the material from the depot. The national and international market for this has dropped substantially in recent years and continues to fluctuate unpredictably. In 2013/14 the Council received £378k by selling its recycling, however this has dropped dramatically due to the poor market to £168K in 2015/16. The annual cost of processing the recycling at the MRF is £355k (2015/16).

The County Council pays a recycling credit to Oadby & Wigston Borough Council, together with all of the other district councils in Leicestershire for every tonne of waste it recycles as this avoids the need for the County Council to have to pay for it to be landfilled which is more expensive.

Leicestershire County Council who are the waste disposal authority have the legal power to "direct" districts councils in relation to the collection of waste. The County Council are doing this in relation to all of the recycling that is collected from the kerbside from April 2018. In reality this means that the County Council have said that they will not dictate to the districts how they should collect their recycling, ie frequency, method of collection or what they collect. What they will be dictating however is that each district will be told to which location they should deliver the recyclables they collect. The County Council have yet to stipulate where this will be. The Direction Notice will also set out that the County Council will then pay for any onward transportation, if it is outside of the Councils administrative area, together with the sorting costs. It will also stipulate that the County Council will no longer pay the districts a recycling credit for each tonne of recycle that they collect. It will also stop the district councils from selling their recycling and making any income from it which in future the County Council will do and receive itself. The implications of this are set out in Paper A in relation to the MRF.

It should also be noted that the current fleet of recycling vehicles are nearly at the end of their life and decisions will need to be made within the next six months as to if and what vehicles should be procured. It is therefore essential that the Council is clear as to what recycling service it wishes to provide in the future.

3. Consultation

The Council has recently carried out a borough wide survey about its waste collection services. The results have been published on the Council's website with the following link.

<https://www.oadby->

[wigston.gov.uk/news/2017/06/23/results from the recent waste survey](https://www.oadby-wigston.gov.uk/news/2017/06/23/results_from_the_recent_waste_survey)

4. Options

The Refuse and Recycling rounds cost the Council around £744,000 per annum. This is not the total cost of the service but simply the rounds which consist of 6 teams of a vehicle of 3 staff, two spare vehicles, sick and holiday cover. A range of options is available to the Council to vary either or both the frequency of collections and the ways in which refuse and recyclable materials are collected. The range of saving is from nil, if the services were to remain as they are now, up to approximately £350,000 per year if the Council were to move to two weekly refuse and recycling collections using wheeled bins. Other options, such as maintaining weekly collection of domestic waste, but collecting recyclables fortnightly or visa-versa; would also yield some savings.

Obtaining a more detailed proposal on specific options would involve Council officers working with external waste specialists in order to produce a detailed report on possible changes to existing arrangements, revenue costs savings, impact on front-line service for residents, one-off investment costs, time-scales for delivery, etc. to bring to Council for consideration later this calendar year. It is estimated that this exercise could cost £10,000

In all options where wheeled bins are a possibility then specific rounds could be set up to service terraced housing.

If the Council does not move from bags to wheeled bins then there will still be the continuing issue of health and safety for the crews with sharps injuries and lifting.

The other option that is available to the Council is to benchmark and market test its in house provision against the private sector. External waste specialists would be required to facilitate this.

g. Potential Charging for Car Parking

Potential Implementation from 2018

Potential annual additional income of £150,000

1. Present Situation

The Council owns and is responsible for the management of all of the car parks as set out below. The Council is rightly proud that it is one of only a handful of Councils in the country that still offers free town centre shoppers parking for up to three hours in order to encourage people to shop locally and ensure that the Borough's town centres stay vibrant.

2. Car Park Locations, Charges and Facilities

Oadby:

Location	Total spaces		No. of P&D machines	
East Street	185	Short stay up to 3 hrs	0	Car park contains toilet block and car park enforcement officer's office & toilet. Also used for Oadby Town centre barrow.
Ellis Park	18	Short stay up to 3 hours	0	
Sandhurst Street	192	Up to 3 hours free. Over 3 hours is £3 flat rate	2	
	395			

Wigston:

Aylestone Lane	60	Up to 3 hours free. Over 3 hours is £3 flat rate	2	13 Resident parking permits issued free of charge in this location to residents on Aylestone Lane who have no off-street parking.
Frederick Street	55	Short stay up to 3 hours	0	
Junction Road	142	Short stay up to 3 hours	0	Toilet block in car park containing separate ladies/gents/disabled toilets and service room used for Wigston Town Centre barrow
Paddock	87	Up to 3 hours	1	Vehicles accessing pub and backs of

Street		free. Over 3 hours is £3 flat rate		shops have to cross this car park to get to their service areas.
Spring Lane	25	Short stay up to 3 hours	0	
	369			

South Wigston:

Countesthorpe Road	74	Up to 12 hours free	0	No enforcement action historically taken on this car park.
	74			

3. Car Park Income

2016/17 income from over 3 hr stays = £13,801

2015/16 income from over 3 hr stays = £16,550

2014/15 income from over 3 hr stays = £17,379

4. Usage Statistics

Car parking usage surveys from March 2016 can be used to try and identify some fundamental trends.

The conclusions that can be drawn from these surveys are that the trend seems to be that there is spare capacity in both of the main town centres at all times and that they generally tend to be busier in the morning and over lunch time. More spaces then become available as the afternoon progresses. Although the survey is limited it shows that occupancy is generally above 70%.

5. Options

1. Remove all parking machines and make all car parks free all day without any enforcement

Advantages	Disadvantages
Save approx £32k per annum as no enforcement fees, no machines to maintain (saving includes for loss of car park fees)	No enforcement would produce free for all – bad behaviour and possibly result in negative publicity and the permanent blocking of spaces so there would be no turnover

2. Introduce pay and display in all car parks whereby the first 3 hours is free and pay for over 3 hours

Advantages	Disadvantages
	No evidence that there is a demand for over 3 hour parking therefore this option would spread existing over 3 hr parkers across all car parks.
	Capital cost of purchase of 8 x P& D machines at approx £3,500 each.
	Would need to check all machines daily therefore less enforcement time leading to reduced Penalty Notice income

3. Retain current free system but for up to 2 hours rather than 3 hours and charge for over 2 hours long stay at the flat rate of £3 as in current long stay locations.

Advantages	Disadvantages
There would be an increased number of people needing to pay for long stay but cannot predict how much.	Cost of updating Parking Order and altering signage (approx £1.5k)
Increase turnover of spaces	Maybe unpopular

The perception is that 3 hours free parking keeps town centres vibrant and economically viable. Anecdotally it is accepted that a proportion of parking spaces are taken up by town centre workers who park for 3 hours and then at lunch time move their car to another car park so that they comply with the Parking Order. Reducing free parking to 2 hours would potentially reduce the likelihood of this happening.

4. Introduce parking charges for any length of stay at all car parks

Advantages	Disadvantages
Increased income – See potential income calculation below	Capital cost of purchase of 8 x P& D machines at approx £3,500 each.
Increase turnover of spaces	Increase in revenue costs for maintaining more machines/data card charges/mobile lines for machine data and collection charges – would increase costs by approx £10k)
	Cost of updating Parking Order (approx £1k)and altering signage (approx £5k)

	Need to check all machines daily therefore officers get less enforcement time leading to reduced Penalty Notice income
	Unpopular with traders and shoppers

6. Potential Income Calculation

Local Comparisons:

- Harborough charge(for Market Harborough town centre):
 Long Stay car parks up to 4 hrs £1.20
 Over 4 hrs £2.20
 Short stay car parks up to 2 hrs 0.70
 Up to 3 hrs £1.20
 Up to 4 hrs £1.70
 Over 4 hrs £3.20
- Blaby charge (for Blaby town centre)
 Up to 3 hrs 0.20p
 Up to 4 hrs £1.50
 Season ticket £395
 Residents parking permit £50

Due to the fact that there are no charges at the moment for short stay it is difficult to accurately predict what effect the introduction of car parking changes would have on usage and therefore what income it would generate.

As an example, the Council could introduce a 50p charge in all car parks for a two or three hour stay and work on the reasonable basis that 75% of spaces would be used twice in one day.

This would result in 1146 paying visits per day in total equating to an income of £573 per day. Over a 6 day week, for 50 weeks a year, this would then potentially generate £171,900 of additional income.

On that basis, and trying to take other variables into account, it would not be unreasonable to predict additional income of potentially £150,000 per year

h. Potential to Move the Council's administrative offices from Bushloe House to a new location

Potential Implementation 2021/22 at the earliest

Potential annual net savings of at least £75,000.

1. Present Situation

Bushloe House, the Council's main offices have been used by the Borough Council since its creation in the early 1970s after local government reorganisation. As identified by the recent LGA Peer Challenge the building is very special but does not lend itself to modern working and is costly to run.

The building now only provides back office administrative functions on site together with the Council Chamber. The Council's customer services operation re located to Bell Street in Wigston in 2015.

2. Options

This suggestion would clearly involve a major project in terms of complexity, timescale and then potential disruptive impact on services during any transition. At this stage, Council is only being asked to agree for officers to proceed with a preliminary exercise to scope the project and produce an initial report on options.

Even if the Council were to decide to proceed with the move, it is considered unlikely that it could take place before 2021/22 due to the considerable planning required, and is therefore outside the current MTFS planning horizon. However, a statement of intent that such a move might be supported is required to drive other parts of the Council's transformation plans for the next few years, which are within the current MTFS timelines; these are focussed on improving productivity, value for money and service delivery through better use of information technology and the management of Council assets, service review and redesign as set out in the Council's four-year efficiency review. Thus, although the savings target for the office move is set out at just £75,000 (predicated on a 40% reduction in annual running costs) it actually forms a vital part of the Council's longer-term ambitions for the borough and the communities that it serves.

Agenda Item 4c

By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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