

Urban and Rural VFM Review

Executive Summary

Cherwell District Council

Timetable	Papers Finalised	Meeting Date
CMT	29 October 2010	3 November 2010
Use of Resources	4 November 2010	10 November 2010
Executive	24 November 2010	6 December 2010

Revision History		
Revision Date	Previous Revision Date	Summary of Changes
16 September 2010		1 st draft
14 October 2010	16 September 2010	Consultation results
20 October 2010	14 October 2010	Parking comparisons added
26 October 2010	20 October 2010	CR, PA & KL comments. Amended recommendations
28 October 2010	28 October 2010	Final CR amendments, amended savings options and recommendations, comments on car park charge rises
4 November 2010 (v6)	28 October 2010	CMT amendments
24 November 2010 (v7)	4 November 2010 (v6)	Further amendments

Value for Money Review of Urban and Rural - Executive Summary

1 Introduction

Purpose of this report

- 1.1. Given current financial circumstances, the nature of VFM reviews have changed significantly. Previously, savings identified would be through efficiencies found. This review, while focusing partly on efficiencies, seeks also to identify the full range of savings required of the service covered by the scope of this review to meet the realistic Medium Term Financial Strategy savings target.
- 1.2. This report sets out the findings of the VFM review of Urban and Rural Services (excluding Community Safety and Anti Social Behaviour) with savings identified to achieve the savings target within its scope of £730,096. The total (maximum) savings target for the Community Safety, Urban and Rural Services is £848,077.

Introduction

- 1.3. The main activities of the services within the scope of the review are set out below;
 - Grounds Maintenance and Landscaping – Manage the landscape maintenance contract and liaison with external customers, manage the Council's tree stock and provide professional arboricultural and landscape advice on planning consultations, manage promote and liaise with town councils on Cherwell in Bloom, secure commercial sponsorship for Cherwell in Bloom, manage & inspect parks, open spaces and play areas, manage the floral provision contract,
 - Street Scene – Manage fairs, manage the weekly markets and promote farmers markets, organise, supply & install Christmas Lights/Trees, maintain and inspect street furniture in urban areas, client for Bicester Shopmobility and administering highway closures
 - Vehicle Parks – manage and operate off-street car parks, enforce Parking orders, administer and enforce excess charge notices, manage council staff parking permits, assist with Town Centres management
 - Licensing – Administer, regulate, provide guidance and enforce licensing for alcohol, entertainment, temporary events, late night refreshments, gambling, street trading, charitable collections, and taxis/private hire vehicles.
 - Rural and Countryside – Develop and implement the rural strategy, organise parish liaison meetings, develop and implement a biodiversity statement, provide expert advice on ecological matters, maintain improve and promote the 17 Cherwell walks, provide advice on public rights of way and deal with Public Path Orders
 - Bus station – provide a banksman to oversee the safe manoeuvring of buses, delivery vehicles and pedestrians at Banbury Bus station

VFM Conclusion

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| <ol style="list-style-type: none">1.4. The overall conclusion of the review is that the service is low cost in terms of its RA expenditure comparisons. It is good quality in terms of overall positive levels of satisfaction in most areas. There are no measures from which to judge its current performance |
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Staffing

1.5. The staffing structure as at 30 June 2010 is as follows;

Established Posts	Posts	Vacancies
	FTE	FTE
Head of Safer Com Urban & Rural	1.00	0.00
Street Scene & L/scape Manager	1.00	0.00
Landscape Officer	2.00	0.00
Landscape Design Officer	0.50	0.00
Street Scene Officer	1.00	0.00
Landscape Architect	1.00	0.00
Arboricultural Officer	2.00	0.00
Rural Devt & Countryside Mgr	1.00	0.00
Countryside & Conservation Off	0.65	0.00
Ecology Officer	0.50	0.00
Licensing & Vehicle Parks Mgr	1.00	0.00
Vehicle Parks Team Leader	1.00	0.00
Parking Services Officer	1.00	0.00
Vehicle Parks Supervisor	1.00	0.00
Senior Vehicle Parks Warden	1.00	0.00
Vehicle Parks Warden	7.50	0.50
Licensing Team Leader	1.00	0.00
Licensing Officer	1.00	0.00
Assistant Licensing Officer	1.00	0.00
Senior Licensing Officer	1.00	0.00
Senior Inspector	0.00	1.00
	27.15	1.50

1.6. Points to highlight from the staffing structure are set out below;

- The vacant 0.5 FTE Vehicle Parks Warden post has been approved to employ a Bus Station Safety Officer for 26hrs per week on a 12 month basis
- The vacant Senior inspector post is being used to fund a temporary Licensing Officer post on a 12 month basis
- The Ecology Officer is technically part of the service, but almost all the work is advising planners on the ecological implications of planning proposals. Having an ecologist is considered important by the service in fulfilling the responsibilities under the Natural Environment and Rural Communities Act (NERC). It is currently a temporary (3 year) contract running to September 2011. Funding for the post was from the Planning and Housing Delivery Grant, and sufficient funds remain to cover the extension of the post until 2012/13 if necessary. The post has been recently reduced to 0.3FTE (12 hours/week) as part of a flexible working application
- A proportion of the staffing costs and other overheads for the landscape officers is recovered as part of income received from external clients. Currently, temporary additional services are being provided to Banbury Town Council, renewed on a two-weekly arrangement, to manage their grounds maintenance contract due to a long-term staff absence.

Expenditure

- 1.7. The budget and expenditure of the service within the scope of this review is set out in the table below.

Description	2008/2009 Actual £'s	2009/2010 Actual £'s	2010/2011 Budget £'s
Employee Costs	960,951	953,227	985,249
Premises Costs	1,260,097	1,201,701	1,235,380
Transport Costs	41,817	68,614	31,317
Supplies & Services	317,246	293,891	300,647
Third Party Payments	370,227	396,919	278,638
Support Services	335,993	311,204	316,869
Internal Support Services	336,866	296,884	352,116
Capital Charges	327,998	352,604	357,928
Total Expenditure	3,951,195	3,875,044	3,858,144
Government Grant Income	(18,000)	(18,000)	0
Other Grants Reimbursements	(632,000)	(613,910)	(566,471)
Sales Income	0	179	0
Fees And Charges	(2,400,489)	(2,714,188)	(2,756,600)
Rent Income	(177,984)	(192,414)	(162,091)
Chgs To Other Mgt Centres	(230,594)	(447,445)	(465,276)
Total Income	(3,459,067)	(3,985,778)	(3,950,438)
Net Expenditure	492,128	(110,734)	(92,294)

- 1.8. The main cost centres within this total are set out in the following tables. Gross expenditure and income have been split due to the high levels of income raised within the service;

Management Centre	Gross Expenditure					
	2008/09 Actual £'s	%	2009/10 Actual £'s	%	2010/11 Budget £'s	%
Grounds Maintenance / Landscaping	£1,507,607	38.2%	£1,647,901	42.5%	£1,594,337	41.3%
Street Scene	£367,911	9.3%	£367,129	9.5%	£387,079	10.0%
Licensing	£344,718	8.7%	£292,358	7.5%	£328,609	8.5%
Car Parks	£1,350,246	34.2%	£1,187,986	30.7%	£1,143,939	29.6%
Bus Station	£165,191	4.2%	£177,790	4.6%	£194,243	5.0%
Rural and Countryside	£215,524	5.5%	£201,880	5.2%	£209,935	5.4%
TOTAL	£3,951,197		£3,875,044		£3,858,142	

- 1.9. Key issues to highlight for the gross expenditure table are;
- Gross expenditure has reduced slightly by £93k (-2.4%) since 2008/09. This is largely due to a fall in expenditure on car parks (-£206k or -15.7%)
 - Three areas have seen an increase in expenditure since 2008/09 (street scene, bus station and grounds maintenance) amounting to an extra £135k

Management Centre	Income					
	2008/09	%	2009/10	%	2010/11	%
Grounds Maintenance / Landscaping	-£877,261	25.4%	-£1,053,055	26.4%	-£1,030,922	26.1%
Street Scene	-£158,671	4.6%	-£4,425	0.1%	-£68,072	1.7%
Licensing	-£333,094	9.6%	-£352,550	8.8%	-£348,440	8.8%
Car Parks	-£2,025,317	58.6%	-£2,514,131	63.1%	-£2,451,394	62.1%
Bus Station	-£46,726	1.4%	-£42,866	1.1%	-£32,288	0.8%
Rural and Countryside	-£18,000	0.5%	-£18,750	0.5%	-£19,322	0.5%
TOTAL	-£3,459,069		-£3,985,777		-£3,950,438	

1.10. The main areas of income are;

- Car park charges and Excess Charge Notices (ECN) (over double that of its gross expenditure)
- Landscaping/grounds maintenance (65% of its gross expenditure); received from recharges to town and parish councils, and council service areas, for work carried out on their behalf.
- Licensing income (106% of its gross expenditure); charges for taxis, pubs and clubs etc for which some fees are set nationally, with the service expected to break even rather than make a profit

1.11. Key issues to highlight for the income table are;

- Total income has increased by £491,000 (+14.2%) since 2008/09, although dipped by £35k between 2009/10 and the 2010/11 budget. The largest areas of increased income were car parks (£426k or +21%) and grounds maintenance (£153k or +17.5%)
- However, 2010/11 actual income for car parking is not currently meeting its budgeted profile (see para 2.22)
- Income for Street Scene has decreased by £90,500 (-57%) since 2008/09 which relates to the market contractor going into administration in January 2009. The levels of income obtained from this contract in 2008/09 proved to be unsustainable.
- Income from the bus station has fallen by £14k (-30.9%) since 2008/09

Statutory functions

1.12. Below is a summary of the main statutory provisions covering the service. Figures have been adjusted to account for all controllable costs (i.e. where not immediately clear in the budget). This does not include the Environmental Protection aspects of Community Safety which are outside the scope of this review

Work Area	Statutory provision		Costs (less income, support costs and capital charges)
Highways Closures	Road Traffic Regulation Act 1984		£4,699

Work Area	Statutory provision		Costs (less income, support costs and capital charges)
Hackney Carriage Licensing	Licensing of Private Hire Vehicles and Hackney Carriage Vehicles	We do not have to carry out the level of inspection that we do nor deliver service to license holders that we do, but failure to do so is likely to lead to significant increase in licensing issues and public complaint. Key risks around Health and Safety if not delivered.	£11,299
Other Licensing (Admin Dept)	Gambling Act 2005; Licensing Act 2003, Street Trading on the Highway	Fees and charges governed by legislation. (This currently generates a net income of £111k, so has been excluded)	0
Hackney Carriage & P H Licensing			£2,904
Nature Conservation	Natural Environment & Rural Communities Act 2006 (s.40)	Local authorities must have "due regard" to nature conservation in discharging their duties. Includes Ecological advice on Planning applications, funding of partnership delivery organisations (e.g. FWAG, BBOWT, ONCF) Cherwell Corporate BAP 2010	£46,497
Paths Orders	Town & Country Planning Act 1990 s.257 & DEFRA circular 1/09 para 7.2	Includes advice on Planning applications. Effect on public rights of way is a material consideration in planning decisions	£5,563

- 1.13. A 5% reduction, based on the net spend of these services (building block 87a), equates to £3,548. A further 5% (building block 87b) would increase this to £7,096.

'Building Blocks' savings

- 1.14. Below is a list of the other blocks covered by this review, together with their status and revised savings target;

Block No.	Description	Scenario/ Status	Total Saving
32	Reduced countryside partnership activity	Exec Approved	£10,000
34	Reduce frequency of cash collection from car parks	Exec Approved	£7,000
36	Share cost of Xmas tree lights with urban centres	Exec Approved	£36,000
38	Pay and display charges for off-street disabled parking bays	Exec Approved	£96,000
39	Introduce evening car park tariff	Exec Approved	£39,000
40	Raise car park fees by between 3-5%	Exec Approved	£200,000
41	Lay over charge for coaches in coach park	<i>Exec Declined</i>	£13,000

Block No.	Description	Scenario/ Status	Total Saving
42	Increased fines (through Street Warden enforcement)	Exec Approved	£16,000
45	Introduce a low-cost pay and display in Watts Way car park, Kidlington	Exec Approved	£184,000
70	Reduce landscaping contract specification (and other associated landscaping work)	Exec Approved	£135,000
95	Specialist Landscape, Tree and Ecology Advice – reduce/remove service (and its recharge)	Exec Approved	£60,000 (to Planning)
		Total approved	£723,000

1.15. These bring the maximum savings target for the service to £730,096. Of these, 79% relate to increased income and 21% to reduced expenditure.

2 Findings from the Review

2.1. The review has used a range of evidence including benchmarking of landscaping and car parking charges, the most recent resident satisfaction and budget consultation data and a detailed examination of key cost centres within the service.

Cherwell Residents Satisfaction Survey 2010

2.2. The 2010 headline findings for residents' 'satisfaction with local car parks' is set out below

- Levels of satisfaction with local car parking facilities remain stable for the third consecutive year, with around two-thirds of residents (63%) satisfied. Levels of satisfaction with parking in Kidlington are particularly high, with 78% of residents satisfied compared to 59% in Bicester and 60% in Banbury.
- Satisfaction has increased with five of the seven aspects relating to local parking facilities, with a statistically significant increase in the case of information about how long you can stay, which has increased from 62% to 68%. Satisfaction with the ease of finding car parking facilities continues to improve, with 81% of residents now satisfied, which is consistent across the District.
- However, around one in five residents (21%) remain dissatisfied with parking facilities overall. Low levels of satisfaction with the ease of payment using the 'Ring Go' mobile telephone payment service (50%) are likely to be contributing to this dissatisfaction, although by far the largest source of discontent appears to be the cost of parking. Two in five residents (42%) disagree that the car parks operated by the Council provide value for money (compared to only 34% who agree). The cost of parking appears to be a particular issue in Banbury and Bicester where 45% of residents don't believe the parking offers value for money compared to only 18% of residents in Kidlington (where some parking is free).
- Car parking is the most popular service to spend less on (37%) and joint third lowest area for additional spending (12%). It is considered the 2nd lowest area of importance to improve
- The 6th most important driver for overall satisfaction is "number and location of pay and display machines"

2.3. The headline findings for 'parks and play areas' is set out below;

- Parks and playgrounds in the District are well used by residents, with 65% having visited a park and playgrounds being used by 46%. Unsurprisingly, parents and younger residents are the primary users.
- Overall, three-quarters of residents (74%) are satisfied with the way parks and playgrounds are looked after by the Council, which, although not directly comparable due to a wording change in the questionnaire, is on a par with levels of satisfaction seen last year (73%). It should be noted, however, that satisfaction falls to 65% amongst parents, who are key service users.
- There have been no significant changes this year to levels of satisfaction with the different aspects within this service area. How well plants and floral displays are cared for (73%) and the maintenance of parks and open spaces (69%) remain the areas of greatest satisfaction.
- The quality of playgrounds/play equipment is the only aspect where satisfaction has declined this year, falling from 56% to 53% this year, which has effectively halved the gains in satisfaction seen in this area last year. This may also go some way to explain why parents are less satisfied with this service area overall. Indeed, 14% of parents express dissatisfaction with the quality of playgrounds/ play equipment, making it the aspect which they are most dissatisfied with. It is worth noting that 13% of parents are also dissatisfied with safety/ how safe they feel when using the parks and open spaces [it should be noted that some dissatisfaction may be a reflection on facilities for which this Council is not responsible for].
- This is the 4th lowest area of importance to improve. It is the 6th highest area for additional spending, but also the 5th highest area for spending less!
- The 7th most important driver for public satisfaction is “how well plants and floral displays are cared for”

Street Scene and Landscape Services public consultation 2009/10

- 2.4. The service carries out its own satisfaction survey, although this is not executed to the same standard as the residents' satisfaction survey. The findings of the latest survey are set out below;
- Overall satisfaction for the service across the three urban centres is high, with 61.6% considering that the services provided are either good or excellent.
 - The highest levels of satisfaction are with floral displays (83.7%), Cherwell in Bloom roundabouts (76%) and the cleanliness of landscaped areas (75%).
 - The lowest areas of satisfaction are with the grounds maintenance of play areas (47.5%), Christmas lights provision (45%) and with tree works (44%, although based on a small sample)
 - The areas where more customers considered works to be just satisfactory or poor were tree works (44.7%, although based on a small sample), the amount of street furniture (40%) and grassed roadside verge maintenance (38.7%)
 - The main negative comments relating to tree works were around incomplete work or a lack of response. Those relating to street furniture concerned the need for more seats (particularly in Bicester) and decorating existing furniture. Comments on Christmas lights concerned the lack of variety and area covered by the lighting.

Cherwell Budget consultation 2010

- 2.5. Street Scene & Landscape was categorised by many residents as a luxury and was identified as an area where savings could be made, with many being willing to reduce the budget in this area by up to 50% (£990k of gross expenditure or £441k of net expenditure). Key findings were;
- There were a number of cost saving suggestions that could reduce cost without impacting on quality, such as the Council providing a nursery service for plants, with residents or local businesses actually planting these and displaying them, using perennial plants that don't need to be replaced each year or getting more private sponsorship/ payment.
 - Christmas lights did polarise respondents. For some these were vital whilst many were happy to see them go (some believed that those currently provided are not of a high standard). The scenario suggestion of sharing the cost of Christmas lights (with the risk of them being removed if agreement could not be reached) was felt to be acceptable.
 - Lower frequency grass cutting was acceptable provided safety aspects were considered (in particular keeping clear sights of vision at road junctions).
- 2.6. Licensing was considered an important service where savings were thought to be difficult to find. However, the budget was reduced from 4% down to 3% (a reduction of 25%) in line with overall reductions. This equates to £82k of gross expenditure, or £5k in net income. Key findings were;
- Given the relatively small proportion of the budget currently allocated to licensing combined with the fact that this service also generates income, respondents didn't feel there was a great deal of scope for savings.
 - The scenario presented back to respondents, that the reduction in spend could result in longer waiting times to receive licenses was very much in line with respondents' expectations and was considered acceptable during a period financial austerity.
- 2.7. Rural and Countryside Services was considered an important service where savings were thought to be difficult to find. As such, respondents were anxious not to reduce existing funding dramatically. Key findings were;
- There was widespread agreement that the quality of the countryside was a major strength of the area. It was also felt that during these difficult financial times this was one area that residents could enjoy without any cost implications to them.
 - The reduction in the realistic spend scenario suggested that there would be no impact on services in the short term. The longer term issue of less support for parish councils was largely felt to be acceptable (although there was no awareness of what this support currently entailed). It was felt that parishes could raise funds locally if required for specific projects.
 - The only concern raised was that rural areas did not lose out on support as a consequence of the Council concentrating on projects in urban areas.

Benchmarking of Landscape Maintenance

- 2.8. Initial benchmarking information for the review was provided by the 2010/11 RA benchmarking with CIPFA family comparators, which indicated that Cherwell's spend was significantly lower than average.

RA 2010/11 CIPFA Family Comparisons	Open spaces (RA line 503)	Expenditure per head	Relative Family Rank
Ashford	£1,236,000	£10.89	7
Aylesbury Vale	£1,186,000	£6.74	11
Basingstoke and Dean	£4,284,000	£26.49	1
Braintree	£1,110,000	£7.81	10
Cherwell	£600,000	£4.34	14
Chelmsford	£3,385,000	£20.26	2
Colchester	£1,956,000	£10.81	9
East Hertfordshire	£1,506,000	£11.11	6
Eastleigh	£1,745,000	£14.42	3
Harrogate	£2,130,000	£13.27	4
Maidstone	£1,691,000	£11.63	5
Test Valley	£1,254,000	£10.87	8
Tonbridge and Malling	£611,000	£5.22	13
Vale of White Horse	£687,000	£5.88	12

- 2.9. To obtain additional benchmarking information the review looked at landscaping work undertaken in authorities neighbouring Cherwell to identify differences in approach and costs. The commercially confidential nature of the benchmarking means that details of the individual rates are not detailed here.
- 2.10. Cherwell's six year contract with Continental Landscapes is worth £5m over 6 years (£833,000 per annum), and is due to expire March 2012. Gross expenditure per annum is £1.5m with a net expenditure of £556,475 due to recharges to clients and sponsorship income. Staff resources used to oversee **all** aspects of landscaping services amount to £276,000
- 2.11. The council has 5 external clients (Oxfordshire County Council, Kidlington, Bicester, Gosford & Water Eaton and Parkwood) with a combined contractual spend of £433,900 but an income of £536,300 (after salaries and on costs are recharged). On a medium term basis there may be an opportunity to take on the contract and its management from Banbury Town Council, which is currently being undertaken on a temporary basis to cover a long term absence.
- 2.12. Spending on 'Cherwell In Bloom' is £154,500 with £47,163 received in income through sponsorship. The scheme covers Banbury, Bicester and Kidlington, with the majority of expenditure within Banbury, and comprises winter and summer bedding plants around the towns. The 'In Bloom' competition is more a consequence of undertaking attractive planting works rather than the driver for entry. There is scope to reduce costs through more effective planting, a lower maintenance specification or to look for increased sponsorship.
- 2.13. Spending on internal service comprises;
- Planning, corporate properties and car parks (£252,500)
 - Parks (£157,842)
 - Retained open spaces/commuted areas (£300,367), which largely comprise left-overs from the housing stock transfer and other small strips of land that no one else would want to adopt. Some income is received from commuted sums to cover these (£27,000)
 - 50% of the work undertaken by the arboricultural officers and landscape design officers is to provide a service to planning and these costs are recharged. Potential savings are included in one of the building blocks and requires the future service requirements to be determined.

- 2.14. After benchmarking the contract against rates obtained from neighbouring authorities the Strategic Procurement Manager's view is that the current contract offers good value for money, and the council would be best placed to extend this for a further 3 years (until 2015) rather than go out to market at this time in order to secure cost reductions with Continental. This would also save staff resources being tied up with a lengthy procurement process.
- 2.15. An independent assessment of contract assurance has been undertaken by Price Waterhouse Cooper as part of ongoing internal audit work. Their report was not available at the time of writing, but will be reported to CMT once final conclusions are reached.
- 2.16. The review also looked at the contracting and management arrangements of landscaping and grounds maintenance work in adjacent authorities;
- Landscaping works in Northamptonshire are part of a wider Environmental Service contract that includes Daventry and Northampton Borough councils landscaping work, with other councils in the area drawing down on other components of the contract. The grounds maintenance work is based on an outcome specification. South Northants have no direct responsibility (or cost) for grounds maintenance, these being delivered by other agencies. There is no scope currently to join this contract.
 - West Oxfordshire has an in-house service, and carries out work for other agencies; it acts as a contractor for various housing associations, maintains county highways verges, manages country parks, maintains all the council's corporate buildings and engages in private sector work for profit. It also works with both local and national housing developers with regard to S106 works prior to adoption, and has a long term public open space plan in place for future needs.
 - South Oxfordshire & Vale of White Horse manage two grounds maintenance contracts using a single team comprising a Parks Manager, a Parks Officer (Grounds Maintenance), Parks Officer (Monitoring - 4 days per week) and two admin officers (one 4 days/week and one full time). These staff also deal with parks, open spaces, play areas and closed churchyards etc. The work ranges from land ownership issues to producing tree surgery specifications and overseeing additional works. Both councils are looking to jointly procure a grounds maintenance contract from 1st April 2012.

Benchmarking of car parking

- 2.17. The best available data for benchmarking is the RA 2010/11 data. This has been supplemented by identifying those with civil parking enforcement activities to make more comparable, as this is thought to increase overall costs. In this analysis, Cherwell has the highest income per head of those authorities without civil parking enforcement powers.

Authority	Car parks	Civil Parking Enforce	RA 2010/11	£/head
Chelmsford	20	Y	-£ 2,709,000	-£ 16.21
Colchester	10	Y	-£ 2,547,000	-£ 14.07
Harrogate	28	Y	-£ 1,750,000	-£ 10.90
Cherwell	28	N	-£ 1,547,000	-£ 11.19
East Hertfordshire	25	Y	-£ 1,379,000	-£ 10.18
Test Valley	21	Y	-£ 1,068,000	-£ 9.25
Eastleigh	11	N	-£ 1,006,000	-£ 8.31
Basingstoke and Dean	17	N	-£ 905,000	-£ 5.60
Aylesbury Vale	17	N	-£ 719,000	-£ 4.09
Tonbridge and Malling	30	Y	-£ 692,000	-£ 5.91
Maidstone	17	Y	-£ 609,000	-£ 4.19
Ashford	12	Y	-£ 529,000	-£ 4.66

Braintree	8	Y	-£ 392,000	-£ 2.76
Vale of White Horse	16	N	-£ 193,000	-£ 1.65

- 2.18. A review of fees and charges reported to Executive in December 2008 and resulted in implementing the first rise in car park charges in 5 years, in January 2009. This led to increased parking income of £390,000 per annum in 2009/10. The Executive resolution was for these charges to be reviewed again after 2 years.
- 2.19. A survey of private sector car parks in Banbury, and council-owned car parks in neighbouring authorities, shows that for short stay parking Cherwell's prices are currently between 19% and 21% cheaper. Long stay parking varies from being 4% more expensive for short stays but up to 54% cheaper for 24hr parking. However, there are some private car park rates where any significant increase by Cherwell may make them more expensive and less attractive.
- 2.20. A further note of caution needs to be introduced; Income targets for 2010/11 currently are not being achieved. In January 2010 income was shown to be £200,000 below expected performance, and September 2010 projections estimate the year end position to worsen to £268,000 below target. This is being offset to a degree by increased excess charge income through more effective enforcement practices. At September this stood at £63,454 (22%) in excess of its profiled position. The full year effect of such a difference could amount to £80,000. The car parking changes in Bicester will also have significant budget implications.
- 2.21. A further area for income generation is the lack of parking charges in Kidlington. A covenant exists on the land to prevent charging for parking unless under the supervision of a 'paid attendant'. Free parking also exists at the nearby Exeter Hall, Tesco and Co-op car parks, which could undermine attempts to generate revenue through parking being displaced to these free parking areas.

Examination of other cost centres within Urban and Rural

- 2.22. Street Scene – accounts for 9 separate cost centres with an overall (net) spend of £319,000
- Urban centres - £175,667; covers minor improvements and the maintenance and repair of items of street furniture. Salaries and support costs account for £70,325 of the total, and capital charges a further £66,000, leaving a controllable budget of just £39,336. This is a small sum to cover the safe condition of items of furniture, which if neglected could give rise to claims from the public.
 - Shopmobility - £45,900, including a £26,000 grant for the Bicester scheme, and £11,900 for capital depreciation on the buggies purchased. This contrasts with the schemes operated by Castle Quay (Banbury) and Bicester Village (Bicester) which operate at no cost to the council. The redevelopment of Bicester Town Centre into a significant shopping centre gives rise to the potential to move the operation of this scheme into the private sector.
 - Christmas lights - £73,000, with £5,000 in income from Banbury Town Council. The existing contract is a 3 year (+2) contract which commenced in 2009, and has annual costs of £49,645. There is scope to look at sharing costs with the three urban councils (Banbury, Bicester and Kidlington) and/or reducing the scope of the lighting scheme to reduce costs here.
 - Street Markets - £63,400 costs against which £46,000 in income received. The council currently pays £34,000 in NNDR for the proportion of use of car park for the market and £12,000 in advertising to promote market days. This area has been recently market tested after the previous contractor went into administration, and it is unlikely there is scope for any additional income here, although the nature of the contract provides for income sharing from growth of the market.

2.23. Licensing

- Spending within Licensing is considered as 'ring fenced'. The fees charged for the grant of licences cannot be used as a revenue raising measure under the relevant legislation. At present any surplus is retained for funding special service-related projects. Management overheads have already been added to this area to offset costs to the maximum degree permissible
- Any reductions in Licensing spend would need to be addressed through reduced charges, and so would not generate any savings. Benchmarking using RA 2010/11 data shows Cherwell to be the 2nd lowest cost authority for providing this service already.

2.24. Rural and Countryside – accounts for 5 cost centres with an overall (net) spend of £189,621

- This area had benefitted until recently from £18,000 in income from the Planning and Housing delivery Grant, which has funded the part-time Ecology officer. Failure to consider ecological aspects of planning applications adequately runs the risk of any planning decision being quashed at judicial review. However, the phrasing of the NERC Act is that "every public authority must, in exercising its functions, have regard, so far as is consistent with the proper exercise of those functions, to the purpose of conserving biodiversity". Interpretation of the flexibility of "having regard was tested by a 2009 judicial review which found that local planning authorities must consider whether the tests of the Habitats Directive can be met when European Protected Species are affected by planning applications. Reduction of this service is one of the building blocks and requires the future service requirements to be determined. For example, these judgements may need to rely more heavily on technical work funded by the applicant developer.
- Around 30% of the total spend (£57,433) is made up of grants to outside bodies. Of this, £23,550 is allocated to ORCC in relation to rural development initiatives such as community led planning, providing services to village halls, village shops, and hosting the Oxfordshire Rural Forum. Cherwell's relationship with ORCC is partnership rather than contractual, but in line with a scrutiny recommendation a service level agreement for ORCC to be in place by 2011/12.
- Of the remainder of the grants budgets, £13,000 is allocated to a number of agencies to further the council's biodiversity responsibilities and rural action plan initiatives, and £6,130 to TVERC for environmental records. A contingency of nearly £9,000 is retained to cover issues that arise through the year. Due to an underspend in 2009/10, some agencies had their 2010/11 grants paid in advance at the end of 2009/10 in order to offset the impact of any loss of grant in 2011/12.
- The Team organise the twice yearly Parish liaison meeting and are the point of contact for town and parish councils.

2.25. Bus Station – accounts for £194,243 with £32,288 in income

- The council is responsible for providing a banksman to oversee the safe manoeuvring of buses while reversing at Banbury Bus Station. A portion (33%) of costs are recovered from Castle Quay, with a further proportion (33%) from levying a bus departure charge of 30p, which is calculated on bus company information.
- The manpower for this activity is provided by a Vehicle Parks Warden, although there is scope to use a less expensive post to carry out this work and release the Warden to generate additional income.

3 Conclusions

3.1. The conclusions that can be drawn from the evidence gathered are as follows;

- Landscaping is a large spending area and so a popular one to look to reduce but it has limitations due to its contract, which is seen to offer good value for money at present. A balance needs to be struck to ensure that any taking savings out of the contract do not jeopardise the sustainability of the contract itself. Residents' suggestions for cost reduction/income generation have limitations and consequences that make their adoption impractical (e.g. council-led nursery, only cutting longer grass)
- Contract management of landscaping work is currently being reviewed by PWC, and this may recommend we amend our approach in this area. Until the report is completed it is not possible to judge what the implications (if any) of this may be.
- The value for money offered by the contract is such that the Strategic Procurement Officer is satisfied that this can be extended for a further 3 years, which will allow for contract cost reductions to be negotiated and other procurement options to present themselves or be investigated over time.
- The revenue generated by external clients is significant and there may be scope to increase this. The income received offsets a proportion of the staffing and overhead costs to manage the contract.
- Aspects of the Street scene budget are seen as luxuries by the public (e.g. Christmas lights, bedding plants) and there is general support for reducing net expenditure through additional income. However, town centre businesses see these services as significant in attracting people to local shops.
- Licensing is very low cost. Any reductions in expenditure can't be drawn off in savings as legislation prevents it. There is public appreciation of the limited scope to achieve any such savings.
- There is public support for not reducing rural and countryside spending. A small staff complement exists but with a high proportion of budget spend (30%) through grants to enable others to undertake work (and responsibilities) in this area.
- Whilst there is not an explicit obligation to employ an Ecology Officer, we would be less well equipped to fulfil our NERC act duties without one. DEFRA's "Guidance for Local Authorities on implementing the Biodiversity Duty" (section 4) states "It is important that local authorities screen development proposals for potential effects on biodiversity to ensure biodiversity is fully considered and prevent delays in determining planning applications". First-stage screening can be done by planning staff, but where there are potential effects on protected habitats, sites and species, expert input is required. Without an ecology officer we would have to procure services from an external consultant or rely on work funded by the developer / applicant. Further work is needed to specify future service requirements
- Car parking still has potential for further charge increases if comparing with the private sector and neighbouring authorities. Lower public satisfaction with the value for money offered by car parking prices appears to be at odds with other facilities within urban centres and neighbouring authorities.

4 Options for Change

4.1. Three options are presented that provide for the following levels of savings;

- Option 1 – Total savings of £748,555 which can be achieved through increased income generation, reduced countryside activity, the reduction of planning advice from the service and a reduction in landscaping specifications and activity
- Option 2 – Additional areas of saving, some of which cannot be costed at this stage which would involve significant changes or ending some service provision

Option 1

- 4.2. The majority of the savings set out in this option are taken directly from the building block proposals which have been assessed for their impact, feasibility and savings potential.
- 4.3. The reduction in planning advice (building block 95) is not counted as a saving to the service as these costs are recovered by an internal recharge to the Planning service,
- 4.4. Of the remaining savings, £616,750 (82%) relate to income generation and £131,805 (18%) to reduced expenditure. This reduction in expenditure equates to 3.4% of the current gross service budget.

Option 1 Savings	Amount	Building Block	Year	Comment
Reduced countryside partnership activity – reduced grants	£5,924	32	2011/12	Currently being implemented Current budget is £36,760. Withdraw funding to Oxfordshire Kids on Farms (£2k), BBO Food Group (£1.5k), Cotswold AONB (£2.4k)
Reduced countryside partnership activity – Reduced “rural initiatives” budget	£4,076	32	2011/12	Currently being implemented
Reduce Ecology Officer hours	£3,971	-	2010/11	Currently being implemented. This is a reduction in hours from 16 to 12 per week
Reduce frequency of cash collection from car parks	£6,825	34	2010/11	Already implemented. An amendment to the schedule of cash collections from ticket machines will allow 21 less collections per week.
Cancel subscriptions within the service	£4,430	75	2010/11	Already implemented Cease subscribing to British Parking Association (£550), Chipside User Group (£50), TRL benchmarking (£675) and Park Mark (£3,155)
Cut funding for Xmas lights by 50%	£36,189	36	2011/12	The first option to secure this saving will be to recover 50% of existing costs from partners. Any shortfall will be met by scaling back the lighting displays to reduce cost. Discussions with partners are currently in hand
Car parking charges introduced for blue badge holders	£96,289	38	2011/12	Charges of between 70p and 80p per hour introduced at designated disabled spaces (£69,275) and at general spaces (£27,014), with disabled badge holders able to stay 1 hour over and above the maximum stay in all short stay car parks free of charge. Will require revised parking orders, changes to signing and reprogramming of machines.

Option 1 Savings	Amount	Building Block	Year	Comment
Introduce evening car park tariff	£39,640	39	2011/12	Introduce chargeable parking after 6pm Monday to Sunday across all council operated car parks. Will result in additional pay and display income (£26,640) and additional excess charge income (£13,000) Scrutiny has recommended not to proceed with this change as it would not generate significant income and would be difficult to enforce
Increase car parking charges from 1 February 2011	£167,000 to £356,000 (assume £200,000)	40	2011/12	Increase existing hourly parking rates by either 10p or 20p, and bring in additional charging periods (start at 7am, bank holidays, Sundays as per rest of week) Calculations are based on 2009/10 actual parking demand rather than those budgeted for in 2010/11, as parking activity has fallen.
Increased income from fines through Street Wardens taking on enforcement role	£15,750	42	2011/12	Street Wardens would have enforcement powers for littering and dog fouling. Income levels based on 7 wardens issuing 2 PCNs per week. Retraining costs would be in the region of £1,000 While altering the nature of Street Wardens from information providers to enforcers this would allow for the council's 'cleaner and greener' priority to be furthered.
Introduce pay and display parking in Watts Way, Kidlington	£184,000	45	2012/13	Based on long stay income of £46,886, short stay income of £111,193 and excess charge notice income of £25,878 A covenant exists on the land to prevent charging for parking unless under the supervision of a 'paid attendant'. Negotiations will be required and there will be a price to implement this scheme as a result. Free parking also in situ at Exeter Close, Tesco and Co-op car parks nearby Purchase and installation costs of pay and display machines estimated to be £18k. Negotiations to achieve this are likely to take 12 months.
Reductions to Cherwell in Bloom	£48,061	70	2011/12	This will be achieved by a £36k reduction in grounds maintenance, £10k reduction in bedding supply and a £2k reduction in sign replacement
Reduced standard of grounds maintenance for retained open spaces	£46,021	70	2011/12	This will be achieved by a lowering in the standard of grass cutting (£11.7k), 50% less on purchasing and planting trees and shrubs (£14k) and a £20k reduction in infrastructure improvement works (i.e. hard landscaping)
Reduced standard of grounds maintenance for CDC parks	£8,497	70	2011/12	This will be achieved by a 50% reduction in the purchase of trees and shrubs (£4k), a 30% reduction in sign replacement (£2.5k) and ceasing to maintain Widnell Park (£2k)
Reduction in arboricultural works in CDC car parks	£4,000	70	2011/12	This will be achieved through a 50% reduction in arboricultural work for car parks

Option 1 Savings	Amount	Building Block	Year	Comment
Increase the external income for grounds maintenance by increasing the client base	£28,882	70	2011/12	This saving would be achieved through a £55k increase in the external client base and is dependent on securing the Banbury Town Council contract, but it is stated that additional contract management support (£26k) would be needed to achieve this.
Landscape Service; Reduce existing 1 FTE by 0.5 FTE	£19,823	95	2011/12	The implications of this reduction could be a reduction in consultations on planning applications, only being able to provide advice on developments which qualify for on site play, open space or outdoor sports provision (Application advice & Construction monitoring), no ability to provide advice on none qualifying planning applications.
Aboricultural Service; Reduce existing 1 FTE by 0.5 FTE	£19,823	95	2011/12	The implications of this reduction could be a reduction in consultations on planning applications, only being able to provide advice on developments which qualify for on site play, open space or outdoor sports provision (Application advice & Construction monitoring), no ability to provide advice on non qualifying planning applications, no ability to administer or lead on notifications for works to trees within Conservation Areas, only provide advice if Town or Parish make comment or Planning Case Officer identifies potential TPO meeting agreed criteria.
Ecology Officer – remove post	£11,913	95	2011/12	This specialist advice has been pared back to what is considered a minimum acceptable level to ensure the council can still receive the specialist advice it requires to comply with the law. This option would remove all the in-house Ecology advice.
Create Bus Station Safety Officer post to release Vehicle Parks Warden post	£16,000	-	2010/11	Currently being implemented Post to be at lower grade to Warden post and also allows a reduction in overtime costs. The savings are through additional income generated from the Warden carrying out enforcement activity (estimated at £500-750 per week), less the cost of the post (£14,000)

Option 2

4.5. Further savings of at least £189,089 may be possible through implementing the additional savings options below. In some cases the potential saving cannot at this stage be estimated, but may be looked into further

Option 2 Savings	Amount	Building Block	Year	Comment
Bicester Town Centre developer to take on Shopmobility /support for scheme is ended	£45,900	-	2012/13	This will depend on the willingness of the Town Centre developer to take over this scheme, which would remove the need for the council to fund it. However, given that negotiations have completed it is unlikely that the developer will now take this on.
Cancel the erection of Christmas lights/fully subsidise the lights through sponsorship	£36,189	-	2012/13	This option would seek to fully fund the cost of erecting Christmas lights each year through sponsorship, or alternatively no longer have a lights display at Christmas. Additional sponsorship is unlikely in the current economic climate, and cancellation may be unpopular with residents
Cancel the In Bloom programme/fully subsidise the programme through sponsorship	£107,000	-	2012/13	This option would seek to fully fund the cost of the In Bloom programme, or alternatively cancel the programme. Additional sponsorship is unlikely in the current economic climate and cancellation may be unpopular with residents.
Charging for tree inspections	TBC	-	2012/13	Highlighted as good practice by CLG (with Dundee council as an exemplar) although there are concerns within the service that it does not have the capacity to undertake this additional work. Would need further investigation to assess its feasibility
Further Statutory/Discretionary savings areas to be explored	TBC	-	TBC	There are further savings opportunities that have not been fully covered by this Review but may arise from; <ul style="list-style-type: none"> • Externalising the parking service • Reducing Landscaping contract management provision • Further reducing the level of rural and countryside provision • Examining the best use of rural, countryside, ecology and arboricultural resources with client services • Considering the level of rural community development support provided (in conjunction with partner agencies)

4 Recommendations

- 4.1. In order to achieve the building blocks savings target of £730,096 option 1 should be pursued (saving a total of £748,555). This will involve;
- Increasing car park income through raised charging levels on existing car parks, the establishment of a new charging regime in Kidlington, additional enforcement activity by Street Wardens, introducing evening tariffs and charging for disabled parking
 - Achieving reductions in landscaping contract costs through reducing the scope and standards of current work
 - Achieving additional income for landscaping work through increasing the client base
 - Reducing countryside partnership activity and grants
- 4.2. To achieve the £60,000 savings on recharges to the Planning service it is recommended that the 3 options proposed in the Option 1 block to reduce staffing capacity be re-assessed alongside other options to meet the target (such as increasing fee income from planning advice and securing new clients to offset costs)
- 4.3. The following savings outlined in Option 2 be not pursued;
- The likelihood of income through full sponsorship of the In Bloom and Christmas lights schemes is low, and their cancellation would be unpopular
 - A number have not yet been assessed for their feasibility and cost reduction potential
- 4.4. The following savings outlined in Option 2 be pursued further;
- The feasibility of charging for tree inspections has not been fully assessed, and capacity within the service to achieve may be limited, but the service should investigate its potential
 - The likelihood of Bicester Shopmobility being taken on by the Town Centre developer is unlikely at this late stage, and ending this provision would be unpopular. The service should seek to offset a proportion of its costs through service charges to tenants on completion of the town centre redevelopment