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## SCRUTINY BOARD (RESOURCES AND COUNCIL SERVICES)

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Meeting to be held in Civic Hall, Leeds, LS1 1UR on  
Monday, 2nd April, 2012 at 10.00 am

*(A pre-meeting will take place for ALL Members of the Board at 9.30 a.m.)*

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### MEMBERSHIP

#### Councillors

S Bentley	-	Weetwood;
A Blackburn	-	Farnley and Wortley;
J L Carter	-	Adel and Wharfedale;
B Chastney	-	Weetwood;
N Dawson	-	Morley South;
P Grahame (Chair)	-	Cross Gates and Whinmoor;
R Grahame	-	Burmantofts and Richmond Hill;
J Hardy	-	Farnley and Wortley;
A Lowe	-	Armley;
C Macniven	-	Roundhay;
R Wood	-	Calverley and Farsley;

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*Please note: Certain or all items on this agenda may be recorded*

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**Agenda compiled by:**  
**John Grieve**  
**Governance Services**  
**Civic Hall**  
**LEEDS LS1 1UR**  
**Tel: 22 43836**

**Head of Scrutiny and Member**  
**Development:**  
**Peter Marrington**  
**Tel: 39 51151**

# A G E N D A

Item No	Ward/Equal Opportunities	Item Not Open		Page No
1			<p><b>APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS</b></p> <p>To consider any appeals in accordance with Procedure Rule 25* of the Access to Information Procedure Rules (in the event of an Appeal the press and public will be excluded).</p> <p>(* In accordance with Procedure Rule 25, notice of an appeal must be received in writing by the Chief Democratic Services Officer at least 24 hours before the meeting).</p>	
2			<p><b>EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC</b></p> <p>1 To highlight reports or appendices which officers have identified as containing exempt information, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.</p> <p>2 To consider whether or not to accept the officers recommendation in respect of the above information.</p> <p>3 If so, to formally pass the following resolution:-</p> <p><b>RESOLVED –</b> That the press and public be excluded from the meeting during consideration of the following parts of the agenda designated as containing exempt information on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information, as follows:-  <b>No exempt items on this agenda.</b></p>	

3

### **LATE ITEMS**

To identify items which have been admitted to the agenda by the Chair for consideration.

(The special circumstances shall be specified in the minutes.)

4

### **DECLARATIONS OF INTEREST**

To declare any personal / prejudicial interests for the purpose of Section 81 (3) of the Local Government Act 2000 and paragraphs 8 to 12 of the Members Code of Conduct.

5

### **APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES**

To receive any apologies for absence and notifications of substitutes.

6

### **MINUTES OF THE PREVIOUS MEETING**

1 - 4

To confirm as a correct record, the minutes of the meeting held on 5<sup>th</sup> March 2012

(Copy attached)

7

### **ASSET MANAGEMENT**

5 - 18

To consider a report by the Head of Scrutiny and Member Development setting out details of two issues raised at the January meeting of the Board which require further consideration.

Appendix 1 deals with the opportunities that Changing the Workplace presents to support the release of property assets. Appendix 2 advises Members on the improved processes that have been implemented to speed up the disposal of surplus property assets.

(Report attached)

8

**PEOPLE PLAN REPORTING FRAMEWORK**

To consider a report by the Chief Officer HR which sets out the reporting arrangements to Scrutiny of the People Plan

(Report to follow)

9

**COMMERCIAL SERVICES FLEET SERVICES**

To consider a report by the Chief Commercial Services Officer which provides an update on the Authority's fleet replacement programme, influences of alternative fuels, apprentices and the generation of additional income around the MOT testing facility.

(Report attached)

19 -  
24

10

**DATE AND TIME OF NEXT MEETING**

Date and time of next meeting to be confirmed following the Annual Meeting of Council on 21<sup>st</sup> May 2012

# Agenda Item 6

## SCRUTINY BOARD (RESOURCES AND COUNCIL SERVICES)

**MONDAY, 5TH MARCH, 2012**

**PRESENT:** Councillor P Grahame in the Chair

Councillors S Bentley, A Blackburn,  
B Chastney, N Dawson, R Grahame,  
J Hardy, M Rafique and R Wood

### **73 Declarations of Interest**

Councillor Ron Grahame declared a personal interest in relation to Agenda Item No. 7, Quarter 3 Performance Report 2011/12, in his capacity as a Director of East North East Homes ALMO, and as a Member of the GMB Union. (Minute No. 76 refers)

### **74 Apologies for Absence and Notification of Substitutes**

Apologies for absence were received from Councillors: J L Carter, A Lowe and C Macniven. Councillor Rafique provided notification that he would be substituting for Councillor Lowe

### **75 Minutes of the Previous Meeting**

**RESOLVED** – That the minutes of the previous meeting held on 6<sup>th</sup> February 2012 be confirmed as a true and correct record

### **76 2011/12 Quarter 3 Performance Report**

The Assistant Chief Executive (Customer Access and Performance) submitted a report which set out a summary of the quarter three performance data for 2011-12. The report also provided an update on progress in delivering the priorities in the Council Business Plan 2011-15 relevant to this Board.

James Rogers, Assistant Chief Executive (Customer Access and Performance), Lorrain Hallam, Chief Officer HR, Heather Pinches, Executive Officer, Performance Management and Doug Meeson, Chief Officer (Financial Management) attended the meeting and responded to Members questions and comments

In brief summary, the main areas of discussion were:

- Clarification of the amber classification
- Employee Engagement Survey
- Leadership Development Proposals
- The Citizens Panel
- Interaction and collaboration between different directorates and the One Council approach

Draft minutes to be approved at the meeting  
to be held on Monday 2<sup>nd</sup> April 2012

- Financial health of the authority
- Equality Improvement Priorities

During a discussion on income generation Councillor Wood proposed that the Chief Planning Officer be asked to comment on the merits and viability of increasing retrospective planning application fees. This was supported by the whole board.

**RESOLVED –**

- (i) To note the quarter three performance information and the key performance issues raised
- (ii) To request that the Head of Scrutiny and Member Development write to the Chief Planning Officer in relation to planning fees.

**77 People Plan 2011-2015**

The Chief Officer HR submitted a report which set out details of a People Plan for 2011 – 15. It was reported that the purpose of the plan was to help all City Council Employees make the maximum, contribution to achieve the Council's ambition to be the "Best Council in the UK".

Lorraine Hallam, Chief Officer HR attended the meeting and responded to Members questions and comments.

In brief summary, the purpose of the Scrutiny Board discussion was to ascertain when and how scrutiny could offer critical friend challenge on the progress of the strategic outcomes identified within the plan. A discussion was held on the proposed "scorecard".

The Board also discussed in detail appraisals and staff engagement, two cross-Council priorities of which HR Service was the lead.

Members were also briefed on the introduction of "Cornerstone", a Performance and Learning Management system.

It was agreed that the Chair (and other Board Members) would meet with the Chief Officer to agree the format and frequency of future updates with the intention of reporting back to the Board in April

**RESOLVED –**

- (i) That the People Plan 2011-15 be noted
- (ii) That a further report be submitted in April outlining future performance reporting arrangements.

## **78 Waste Management Process Review Project**

The Board received a report on the Customer Access Programme. The report provided an update on progress of the Waste Management Process Review Project and sought Members comments on progress.

Cathryn Baggott, Customer Access and Performance, Project Manager, Andy Hickford, Senior Project Leader, Tom Smith, Locality Manger, Project Team Member and Keith Lander, Area Management, Project Team Member attended the meeting and responded to Members questions and comments.

Members noted that the first phase of the project had been completed and this had established the foundation for a further and significant piece of work to deliver long term enhancements to the service including : on line self services and the delivery of integrated 'In cab' technology. It was reported that future phases would be dependent upon the programmes Business Case being signed off by the Executive Board in May 2012.

In brief summary, the main areas of discussion were:

- Issues around contaminated bins
- Length time for delivery of replacement parts/ replacement bins
- Issues around bulky waste collection
- Communication with customers
- In cab technology

The Chair thanked Officers for their attendance and contribution commenting that it had been a successful inquiry with positive outcomes

**RESOLVED** – That the progress on the Waste Management Process Review Project be noted and welcomed

## **79 Work Schedule**

A report was submitted by the Head of Scrutiny and Member Development which detailed the Scrutiny Board's work programme for the current municipal year.

Appended to the report for member's information was the current version of the Board's Work programme, together with the minutes from the Executive Board meeting held on 10<sup>th</sup> February 2012.

**RESOLVED** – That the work programme, as amended, be approved

## **80 Date and Time of Next Meeting**

**RESOLVED** – To note that the next meeting will take place on Monday 2<sup>nd</sup> April 2012 at 10.00am in the Civic Hall, Leeds (Pre- Meeting for Board Members at 9.30am)

Draft minutes to be approved at the meeting  
to be held on Monday 2<sup>nd</sup> April 2012

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**Report of Head of Scrutiny and Member Development**

**Report to Scrutiny Board (Resources and Council Services)**

**Date: 2<sup>nd</sup> April 2012**

**Subject: Asset management**

Are specific electoral Wards affected?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s):		
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:		
Appendix number:		

**Summary of main issues**

1. At its January meeting the Board discussed with the Leader of Council, Councillor Wakefield, the Executive's initial budget proposals. During that discussion reference was made to asset management, particularly the management and disposal of surplus property but also the opportunities that Changing the Workplace, including new ways of working, presents to support the release of property assets. Members will recall Scrutiny Board's previous work and recommendations on the former issue.
  
2. It was agreed in January that the Leader and appropriate officers would be invited to today's meeting to further explore these asset management issues. To assist the debate two reports are been provided. Appendix 1 deals with the opportunities that Changing the Workplace presents to support the release of property assets. Appendix 2 advises Members on the improved processes that have been implemented to speed up the disposal of surplus property assets.

**Recommendations**

3. Members are asked to:
  - a) Consider the attached reports and make comment as appropriate.

## Background documents<sup>1</sup>

4. None used

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<sup>1</sup> The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.

**Report of the Assistant Chief Executive (Customer Access and Performance)**

**Report to Scrutiny Board**

**Date: 2 April 2012**

**Subject: Changing the Workplace – overview report**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<b>No</b>
Are there implications for equality and diversity and cohesion and integration?	<b>Yes</b>
Is the decision eligible for Call-In?	<b>N/A</b>
Does the report contain confidential or exempt information?	<b>No</b>

**Summary of main issues**

Changing the Workplace programme is a holistic programme of work delivering new ways of working across the organisation, bringing four key areas of work together under people, process, technology/ information, and workplace

The programme has delivered cashable benefits to date including; procurement related savings through changing the way business support is delivered, staff related savings through supporting integration of services, and property release. Non cashable benefits have been delivered around productivity, health and wellbeing, improvements in service delivery, investment in people, technology and workplace.

The programme is now moving into a significant delivery phase in the city centre subject to approval of the phase 1 business case in Summer. Work is ongoing to plan and then deliver these benefits through the locality agenda under phase 2. Some initial work under the programme has already been completed in the localities in the pilot phase and with teams in the new Joint Service Centres.

Changing the Workplace is part of the wider Business Improvement portfolio of programmes delivering significant cross organisational improvement to support outcomes defined in the Vision for Leeds and City Priorities Plan.

As requested the report focuses on the areas where we are working closely with property colleagues across the workplace/ asset agenda to achieve cashable and non cashable benefits for the Council.

**Recommendations:**

That the Scrutiny Board notes the contents of the report.

# 1 Main Issues

- 1.1 The Business Improvement Portfolio of which Changing the Workplace programme is a part has the following defined outcomes:-
- A more customer-responsive approach to service delivery which improves access to services, improves the customer experience and drives targeted service delivery which meets need.
  - Fit for purpose, cost effective technological and information solutions, together with robust support systems underpinning improvement in services to customers
  - A more efficient, rationalised, sustainable, flexible and fit for purpose asset portfolio supporting service delivery to customers and the range of agile work solutions.
  - Fit for purpose business management model and robust performance management framework informing service improvements
  - Supportive people framework ensuring staff and managers are fully equipped to manage change, work in a more agile organisation and deliver effective services to customers
  - Value for money solutions and services
  - Effective partnerships delivering better services
- 1.2 The Scrutiny Board has requested an understanding of the opportunities that Changing the Workplace, including new ways of working, presents to support the release of property assets.
- 1.3 In 2010/2011 the programme has recently supported the release of two leased properties through new ways of working. The savings directly associated with release of these properties is in the order of £0.5M p.a.
- 1.4 The net space (space to be released – space to be created) to be released under phase 1 between 2011 and 2017 is in the order of 120,000sqft. This would equate to a total overall reduction in office space of circa 32% in the city centre. Current capacity required is based on latest workforce planning figures and further anticipated space reductions following implementation of new ways of working.
- 1.5 It should be noted that during the phase 1 refurbishment phase it will be necessary to use a number of existing buildings and potentially acquire some additional space for displaced Council staff. Release of property will take place once the workplaces to be retained are fit to support new ways of working and staff have been supported through the wider new ways of working agenda.
- 1.6 Work has been undertaken to assess essential maintenance work required on buildings in scope under phase 1. This significant unbudgeted liability would be addressed under the phase 1 proposals to invest in key buildings and release unsuitable surplus buildings.

1.7 The detailed figures for the business case for phase 1 are being finalised and will be reported through to Executive Board in the Summer. This covers both the investment required and the benefits to be delivered.

1.8 The focus of activity for the programme has been on phase 1 city centre however work will be progressing to scope projects in phase 2 localities. We are currently in discussions with partners to consider where there are further customer/service benefits to co-location/ new ways of working including an agenda around shared use of assets.

## **2 Corporate Considerations**

The portfolio of programmes will support services to deliver better outcomes for our citizens and customers as defined in the Business plan and Vision for Leeds

The disposal of surplus property assets assists in terms of the economic regeneration and growth of the city.

### **2.1 Consultation and Engagement**

Stakeholders are consulted as appropriate in line with the programmes communication strategy. We have a Member Champion who works closely with us on Changing the Workplace outcomes.

### **2.2 Equality and Diversity / Cohesion and Integration**

The programme has undertaken an Equality impact assessment and drawn up an Equality action plan

### **2.3 Council policies and City Priorities**

The programme outcomes are in line to support the outcomes defined in the Vision for Leeds and City Priority Plan

The rationalisation of the Councils property assets assists in terms of ensuring the operational property of the Council is appropriate for the delivery of its services.

### **2.4 Resources and value for money**

The portfolio of programmes including Changing the Workplace makes best use of resources and delivers value for money through streamlining business processes, supporting a more flexible workforce and driving through cashable savings including release of property assets.

Through the assessment and review of the Councils assets consideration of the operational costs are taken into account to establish where savings can be made and the subsequent disposal of surplus assets provides a continued source of revenue to the Council.

### **2.5 Legal Implications, Access to Information and Call In**

There are no legal implications associated with this report.

## 2.6 Risk Management

There are no risk management issues associated with this report. There is a risk register for the programme and projects within Changing the Workplace

## 3 Conclusions

3.1 The portfolio of programmes including Changing the Workplace are supporting the wider outcomes defined in the Vision for Leeds and City Priority Plan.

3.2 In respect of Changing the Workplace and release of property assets the report identifies examples where benefits have already been delivered and will be delivered in the future under phase 1 City centre, with further benefits to be identified and delivered across localities.

## 4 Recommendations

4.1 It is recommended that the Scrutiny Board notes the contents of the report.

## 5 Background documents<sup>1</sup>

5.1 Changing the Workplace - Executive Board Aug 2010 and November 2011

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<sup>1</sup> The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.

**Report of the Chief Asset Management Officer**

**Report to Scrutiny Board**

**Date: 2 April 2012**

**Subject: Disposal of Surplus Council Land and Property**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input type="checkbox"/> No

**Summary of main issues**

1. To advise Scrutiny Board on the improved processes that have been implemented to speed up the disposal of surplus property assets. Since the last Scrutiny Board Meeting on Void Properties on 7 February 2011, Corporate Property Management (CPM) has been incorporated into Asset Management and now has a much closer working relationship with Property Services who deal with the disposal of surplus property assets. This ties in with the recommendation made by Scrutiny Board in February 2011.
2. The report details the process that is used to determine which property assets of the Council will be surplus to operational requirements and the processes involved in their disposal.
3. The report recaps the issues that are inherent in the disposal process that lead to the sale of a property.

**Recommendations**

4. That the Scrutiny Board notes the contents of the report.

# 1 Main Issues

## The Surplus/Disposal Process

- 1.1 As part of their service planning process, Directorates compile Service Asset Management Plans (SAMPs) updated annually which identified the property requirements to support service delivery. SAMPs assess the property needs and highlight properties which are potentially no longer required and, following relevant consultation, can therefore be declared surplus.
- 1.2 Initially surplus properties are assessed for use by other Council services users through the Office Accommodation Review Group or the Property Review Group. The Group involves officers from Services and Asset Management to assess suitability for further use or demolition/disposal of property assets and continually reviews the list of properties. This has seen an improvement in the timescales in respect of assessing the use of Council property assets and subsequently the timescales for those properties which are declared surplus can be sold. Once a property is identified as not being required for Council use, Property Services within Asset Management will lead on the disposal of the property.
- 1.3 A defined process for dealing with the disposal of surplus land and property then involves a number of elements:
  - i) A Delegated Decision declaring a property surplus to a Directorate is made and the property is then secured and managed as a void property pending demolition or disposal.
  - ii) Property Services assesses the most appropriate method of sale for the disposal of the property. This can range from open market sales through the invitation of offers, private treaty, one-to-one sales or selling the property at auction. The appropriate method of disposal is assessed during the stage when properties are considered whether they will be retained by the Council for operational use or whether they will be surplus to the Council's operational requirements.
  - iii) At the same time, the title to the property is checked with Legal and Democratic Services. Additionally alternative uses for the property have to be determined as it is unlikely that a property will continue in the same operational use that the Council held the property, and a decision taken as to whether or not the property or land is to be sold with planning consent or a planning statement to assist in the disposal of the property.
  - iv) Ward Members are consulted about the proposed sale. The Service which originally occupied the property should hold initial consultations with Ward Members on the rationalisation of the Service and the proposed closure of a building at the earlier stages of review mentioned above. Property Services will consult with Ward Members on the actual sale of the property and inform Ward Members of the possible alternative range of uses for the property. If Ward Members are not fully supportive of the sale or have an alternative proposed use for the property, this is investigated further, which often



includes consultation with the Executive Member for Development and Regeneration.

- v) Once surplus, or simultaneously to declaring it surplus, a report is submitted to the Acting Chief Asset Management Officer to approve the method of disposal as outlined in 1.3 (ii) above. The selected method of disposal reflects (amongst other factors) the route that would ensure that the Council maximises the receipt raised from the sale, unless it has been decided that the property is to be disposed at less than best consideration e.g. for a community use which will then need Asset Management Board and possibly Executive Board approval.
- vi) Marketing details are drafted which will include a planning statement prepared by officers in Planning Services or a planning consent where appropriate, and agents will be appointed if the property is to be sold by auction or is of a specialist nature. Otherwise, all the marketing is dealt with by the Council. Property Services work very closely with Planning Services to ensure statements are prepared early in the process to enable the property to be sold.
- vii) If the property is to be sold at auction, a legal contract for sale is prepared. If an acceptable bid is made above the set reserve price, contracts for sale are exchanged at the auction, with completion taking place usually within 28 days. If the property is sold through the open market or through one to one negotiations, the provisional offers and terms are reported back to the Chief Asset Management Officer for approval. Once approved, Legal and Democratic Services are instructed to prepare a legal contract for sale. On larger property sales, e.g. commercial and residential development schemes, these contracts tend to be conditional on the purchaser securing planning consent and undertaking further surveys before a sale is completed. Property Services hold regular meetings with Legal and Democratic Services to ensure contracts for sale are progressed in a timely manner.

1.4 The above is a brief description of the disposal process. The Council has a large range of different types of properties and land to sell and it is not always a straight forward process. However, since the merger of CPM with Asset Management there has been a faster turn round in the disposal of properties.

1.5 The Property Services team within Asset Management manages the disposal process. Over the last 20 years, the Council has raised in excess of £400m from the disposal of surplus land and property. It is anticipated that the level of receipts will be circa £8m for 2011/12. The attached schedule at Appendix 1 shows the level of capital receipts that have been achieved annually. It can be seen that receipts have been severely affected by the downturn in the economy from 2008/09. Since the last report there has not been a marked improvement in the property market. All receipts are used to fund Council revenue and capital initiatives. Sometimes receipts are used to fund relocation costs of the service vacating a property to enable it to become surplus to the Council's requirements.

1.6 In terms of timescales for the disposal of land and property, there is no standard period of time as each property varies. However certain properties tend to fall within similar timescales eg the sale of a surplus residential house will take a relatively short period of time compared to a development site. As reported before the general state of the property market affecting the sale of a property has not markedly changed from the last time a report was submitted to Scrutiny Board The following factors can impact on the sale of a property or extend the period of time the disposal takes and steps have been taken to improve timescales where appropriate.

i) Current Recession and Downturn in the property Market

This has had a major impact on the time taken for the disposal of land and property following the credit crunch in 2008/09. The continued uncertainty in the economic economy and the lack of readily available finance has substantially limited the number of people or companies able to acquire properties. This, combined with the lack of market demand for these types of properties has continued to affect the timescales There have been some signs of improvement this financial year with a number of properties selling which in previous years had fallen through e.g. the former Clifford Primary School and the former Methley Infants School have recently sold following them being remarketed after two previous occasions when sales did not proceed. However at the same time the sales of property that have been under offer have fallen through when the purchaser withdrew eg Bramham House and Cross Hall Infants School. In respect of these properties interest from other potential purchasers are now being pursued. Property Services continue to monitor market conditions and market property that is considered will sell in the current conditions.

ii) The Council reviewing its use of the property or land

After a property has been declared surplus, the property may subsequently be required for another Council purpose or initiative. In the past there have been a number of properties and some land that have been added into the Council's capital receipts programme that are subsequently put on hold while a review is undertaken to see if they will be suitable for Council initiatives e.g. the former wholesale fruit and vegetable market at Pontefract Lane is held for Residual Waste PFI Project and the former Eastmoor School in Adel has been held for a new secure unit. This continues to be the case as Services review their property requirements, e.g. Children's Services have undertaken a review of their primary school provision across Leeds and this has meant that a number of sites are now earmarked for school purposes.

iii) Ownership, title and planning issues

The disposal of land and property can be affected by ownership, title and planning issues. The Council has substantially improved its title records through a voluntary land registration initiative with the Land Registry, in order to reduce the risk of delay that title issues can introduce.

iv) Ward Member Consultation

The consultation with Ward Members prior to disposal provides Members with the opportunity to make comments or observations on the range of uses a property might be sold for. Member's are now also made aware by the Service Directorate much earlier in the progress of the potential closure of an operational building. If there are Member concerns, further consultation takes place.

v) Community Requirements

If a potential community need for the property has been highlighted, it is necessary to obtain the support of a sponsoring Directorate and it maybe possible to consider the transfer of an asset though a Community Asset Transfer. In addition the disposal of Council property maybe affected by the recently established Localism Act which requires the Council to maintain a list of Assets of Community Value and provides the opportunity for the group registering such an asset the right to bid to acquire such an asset if it is subsequently offered for disposal. Groups are given a six month period to put such a bid together, which would delay the disposal process and be a pressure on void management.

vi) Void Properties

Council officers continue assess whether the property or land it is built on has a higher value. If it is considered that the land has a higher value, then to reduce costs of looking after the property, the property will be considered as to whether it is suitable for demolition. Otherwise, security arrangements will be put in place to look after the property until it is sold.

On a number of occasions, the Council has unique properties with costly renovation requirements and prior to marketing the Council has undertaken initial investment to ensure they are economically viable for refurbishment eg Roundhay Mansion where the Council contributed towards the costs of internal works to assist with the reopening of the Mansion.

In addition to the above the Council has set up a Derelict and Nuisance Sites Steering Group that reviews a number derelict sites in private and Council ownership to seek ways to bring forward these sites for refurbishment

## **2 Corporate Considerations**

The disposal of surplus property assets assists in terms of the economic regeneration and growth of the city.

### **2.1 Consultation and Engagement**

2.1.1 Ward Members are consulted as part of the disposal process.

### **2.2 Equality and Diversity / Cohesion and Integration**

2.2.1 This is taken into consideration at the rationalisation stage of operational assets especially in terms of how the service will be delivered.

### **2.3 Council policies and City Priorities**

2.3.1 Due to Service transformations the rationalisation of the Councils property assets assists in terms of ensuring the operational property of the Council is appropriate for the delivery of its services.

### **2.4 Resources and value for money**

2.4.1 Through the assessment and review of the Councils assets consideration of the overall Service operational costs are taken into account to establish where savings can be made. The subsequent disposal of surplus assets provides a source of capital to the Council.

### **2.5 Legal Implications, Access to Information and Call In**

2.5.1 There are no legal implications associated with this report.

### **2.6 Risk Management**

2.6.1 There are no risk management issues associated with this report. However, a full risk assessment is undertaken relating to the rationalisation of Council assets and their subsequent disposal.

## **3 Conclusions**

3.1 The merger of CPM with Asset Management has improved the timescales involved in the disposal of property assets with both sections now working very closely.

## **4 Recommendations**

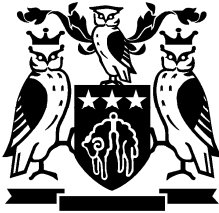
6.1 It is recommended that the Scrutiny Board notes the contents of the report.

## **5 Background documents<sup>1</sup>**

5.1 Scrutiny Board – February 2011.

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<sup>1</sup> The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.



**Date: 2 April 2012**

**Subject: Disposal of Surplus Council Land and Property**

<b>CAPITAL RECEIPTS PROGRAMME 1990 - 2010</b>			
<b>CHIEF ASSET MANAGEMENT OFFICER</b>			
<b>Year</b>	<b>Capital Receipt</b>		
	£M		
1990/91	10.62		
1991/92	13.75		
1992/93	16.30		
1993/94	32.17		
1994/95	11.98		
1995/96	10.53		
1996/97	13.51		
1997/98	13.74		
1998/99	25.32		
1999/00	32.29		
2000/01	19.05		
2001/02	24.11		
2002/03	19.55		
2003/04	22.57		
2004/05	17.63		
2005/06	62.7		
2006/07	26.20		
2007/08	20.00		
2008/09	8.95		
2009/10	9.03		
2010/11	7.85		
<b>Grand Total</b>	<b>417.85</b>		

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**Report of Chief Commercial Services Officer**

**Report to Scrutiny Board (Resources and Council Services)**

**Date: 2<sup>nd</sup> April 2012**

**Subject: Commercial Services Fleet Services**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

- 1 The purpose of the report is to provide an update for the Scrutiny Board on fleet replacements, alternative fuels, apprentices and additional income around the MOT testing facility.
- 2 Fleet replacements are due to recommence in 2012, a provisional budget of 4.6m has been allocated.
- 3 Alternative fuel vehicles are being evaluated to inform future purchases within Leeds City Council.
- 4 Fleet Services undertake an apprentice training programme and participate in work placements and back to work initiatives.
- 5 The MOT testing facility is to be expanded in order to increase capacity and generate additional income for the Authority.

**Recommendations**

- 6 The Scrutiny Board (Resources and Council Services) are recommended to note the further information regarding the operation of the Fleet Services Division of the Resources Directorate.

## **1 Purpose of this report**

- 1.1 The purpose of this report is to appraise Scrutiny Board on the Authority's fleet replacement programme, influences of alternative fuels, apprentices and the generation of additional income around the MOT testing facility.

## **2 Background information**

- 2.1 Fleet Services sits with the Commercial Services Group, part of Resources Directorate. It is a traded service responsible for the procurement and maintenance of around 1200 vehicles. It is also responsible for the safety regulation of the council fleet, the "Operator License" and contributes, through fuel management and alternative fuelling strategies, in reducing carbon emissions. The service also maintains and supplies the Councils vehicle fuelling system.

## **3 Main Issues**

### **3.1 Fleet Replacement**

- 3.1.1 Fleet Services have been actively involved in the fleet replacement profile over recent years to provide transport related savings to the Authority. As part of the Council's objectives to meet shortfalls in Government funding during the 2010-11 financial year transport and fleet replacement costs were reviewed for targeted savings.
- 3.1.2 A decision was made to operate the vehicles for a year longer than originally assumed within the revenue budget, i.e. running a vehicle for 6 years instead of 5 unless the technical evaluation of the vehicle indicated it would be too costly in maintenance terms to retain. Any savings deriving from this were to be reflected in the corporate lease fund.
- 3.1.3 Savings to date are £565K for 2010-11 financial year.  
For 2011-12 Treasury are forecasting savings of £1.319m.  
For 2012-13 Treasury are forecasting savings of £1.709m.
- 3.1.4 Fleet, in preparation for the replacement programme 12/13 have embraced the one council approach and arranged joint transport meetings with Directorates to look at other transport related efficiencies. This includes reducing fleet size or engine capacity, sharing of vehicles within services, multifunctional vehicles and specifications and the recycling of vehicles between Directorates.
- 3.1.5 In addition to transport related efficiencies, driver education, behaviours, accident monitoring, GPS and fuel efficiency training are currently being carried out which have an influence on fuel usage rates and other operational costs.
- 3.1.6 The curtailment of vehicle purchases throughout this period has provided an additional opportunity to review alternative fuel vehicles on fleet and has enabled the service to plan a future renewal strategy which includes alternative fuel vehicles.



## **3.2 Alternative Fuels**

3.2.1 A number of trials are being undertaken on alternative fuels for both light and heavy vehicles to provide a basis for a replacement strategy, looking at costs, functionality, maintenance, reliability and residual value. This has been carried out without any prejudice to vehicle off road levels. The trials have also assisted in contributing towards a number of the Council's aims and objectives including:-

- The Leeds Strategic Plan 2008-11 (reduce ecological and carbon footprints from all sectors).
- Climate Change Strategy (reduce council carbon emissions by 80% by 2050).
- Strategic EMAS Register (EMAS objectives, KPI's and environmental policy, all refer to measures that will promote more sustainable transport and reduce carbon emissions).
- Leeds Waste Strategy (potential source of renewable energy for transport).
- Leeds Aire Quality Strategy (action plan compliments the use of low carbon transport).
- West Yorkshire Local Transport Plan 2011 – 2014 ( Promote low carbon transport, proposed target to reduce carbon by 30% by 2026)

3.2.2 A forward purchase programme for alternative fuel has been established and includes for example a substantial increase in the number of gas refuse vehicles to complement the two alternative vehicles already in service. The replacement targets and associated CO2 reductions are shown in appendix 1.

To date the council fleet has covered 222,960 miles with low carbon vehicles.

## **3.3 Apprentices**

3.3.1 Fleet Services training programme has put through seven apprentices since the year 2000, (five males and two females). Their training has covered all proactive and reactive vehicle maintenance, including electrical repairs and transport administration. Five of the apprentices have since qualified in light vehicle and heavy vehicle mechanics to City and Guilds level 3 and have been appointed to Fleet Services, while one remains in time and is due to complete the training this year. A further 3 modern apprentices have been enrolled in the group through an Apprentice Training Agency (ATA) and are undertaking a two year training programme.

3.3.2 In addition, further to a visit to the Service by Members as part of this Scrutiny exercise, initiatives are being carried out by Fleet Services to promote placement opportunities and mentoring with local schools.

## **3.4 Authorised Testing Facility : MOT Income**

3.4.1 Fleet Services is also a designated MOT test facility for a wide variety of vehicles ranging from cars up to private buses. The MOT station not only provides MOT testing facilities for the Council's fleet but is also widely used by the general public. It is often promoted as impartial due to the Council being unable to carry out any work found on private vehicles after the test.

- 3.4.2 There are now eight nominated Testers available within Fleet Services who provide cover for all shift patterns worked and this ensures any fleet vehicle MOT test can be carried out at any point during workshop opening hours day or night.
- 3.4.3 The MOT facility provided to the general public generates additional income to Fleet with a limited number of available space to sell. Consideration has now been given to the expansion of this facility to generate further additional income for the Authority. It is the intention subject to VOSA (Vehicle Operator Services Agency) approval, to install an additional inspection lane and associated resources to increase the capacity in this area during the summer 2012.
- 3.4.4 Proposals to market the MOT test facility to LCC employees are being considered through the use of existing communication mechanisms for example payslips, intranet, internet etc.

#### **4 Corporate Considerations**

- 4.1 There are no corporate governance issues to be considered within this report as the information provided is a statement of detail regarding the functions undertaken by Fleet Services and any vehicle replacements follow the Leeds City Council Governance processes.

#### **5 Conclusion**

- 5.1 The future plans for the Service provide for a number of opportunities to improve the vehicle replacement decisions both in terms of quality and cost issues
- 5.2 The trial introduction of alternative fuel vehicles has proven successful and further expansion of this fleet is built into the new vehicle replacement programme.
- 5.3 The in-house Fleet Services Operation allows for the opportunity to provide necessary skills and training for young people through trade apprenticeships, work placements, back to work initiatives and mentoring.
- 5.4 The MOT testing facility will be expanded in order to increase capacity and generate additional income for the Authority.

#### **6 Recommendations**

The Scrutiny Board (Resources and Council Services) are recommended to note the further information regarding the operation of the Fleet Services Division of the Resources Directorate.

**Appendix 1**

<b><u>Alternative Fuel Vehicles</u></b>	<b><u>Actual 11/12</u></b>	<b><u>* Target 12/13</u></b>	<b><u>CO2 Emissions Saved Per Vehicle (Well to Wheel compared to diesel equivalent )</u></b>
Petrol / Electric Hybrid	1	2	Approximately 30%
Small Van -(gas CNG)	6	9	Approximately 60% using biomethane.  Approximately 15% saving with natural gas
Medium Van – diesel / electric hybrid	19	22	Approximately 20%
Medium Van -electric	5	7	Approximately 30% based on UK grid mix electricity
Refuse Vehicle - 100% gas	1	9	Approximately 60% using biomethane.  Approximately 15% saving with natural gas
Refuse Vehicle- diesel/gas hybrid	1	Pilot has proven inconclusive as to whether system works.	Not enough data available. Trails elsewhere suggest around 50% should be achievable

\* Numbers subject to funding or approved Business case.

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