

ITEM 4

Time commenced - 18:05

Time finished - 20:17

SCRUTINY MANAGEMENT COMMISSION 20 SEPTEMBER 2011

Present: Councillor Higginbottom (Chair)
Councillors Dhindsa, Harwood, Keith, F Khan, Naitta and
Roberts

16/11 Apologies

There were no apologies for absence.

17/11 Late Items to be introduced by the Chair

The Chair introduced a late item from Mahroof Hussain, the Overview and Scrutiny Officer. It was reported that the commission would next meet on the 8 November 2011 to consider the budget proposals. In previous years, the Scrutiny Commissions had submitted their comments to the Scrutiny Management Commission; however, it would not be possible this year. It was proposed that all Scrutiny Commissions would submit their comments directly to the Council Cabinet.

Resolved that all Scrutiny Commissions would submit their comments on the budget proposal directly to the Council Cabinet.

18/11 Declarations of Interest

There were no declarations of interest.

19/11 Minutes of the meeting held on 21 June 2011

The minutes of the meeting on 21 June 2011 were agreed as a correct record subject to the correction of the second paragraph of minute number 10/11, such that 'City Council properties' was replaced by 'private sector housing'.

20/11 Call-in

There were no items.

21/11 Councillor Call for Action

There were no items.

Items for Discussion

22/11 Asset Management Plan Building Maintenance – Strategy to Tackle the Backlog of Repairs?

The commission received a report from Phil Derbyshire, the Head of Maintenance and Energy. The report analysed the £36 million maintenance backlog on corporate buildings and the approach which was being taken to keep buildings safe and operational. It was reported that the approach towards reducing the maintenance backlog was being reviewed through the Strategic Asset Management Group (SAMG) within the overall context of asset management.

The commission noted that there was a growing backlog of repairs to corporate buildings. The SAMG was reviewing the backlog and developing strategies and action plans to tackle it. Historically the portfolio holder with responsibilities for asset management led this group. This had changed and at present it consisted wholly of senior officers. The commission felt that it was important that the Cabinet Member with responsibility for asset management was an active member of this group. The Cabinet Member would provide strategic leadership in tackling the increasing backlog of repairs.

The Head of Maintenance and Energy confirmed that the £36 million maintenance backlog was subject to change and likely to increase. This was partly attributable to the fact that the maintenance strategy had not been finalised. The figure did not include schools or the Council House.

The commission questioned whether the maintenance work was prioritised according to the potential savings available. It was reported that the buildings at risk process highlighted those repairs which, if left unattended, caused considerable health and safety issues. Health and safety was prioritised above the potential for achieving savings. The buildings at risk process monitored and inspected 34 corporate buildings on a regular basis. The major repairs identified by these inspections drove the priorities for the planned maintenance programme. The cost of conducting an inspection was considered against the cost of undertaking a repair. Performing repairs would ultimately prevent the need for an inspection, thereby saving money. The cost of repairs, however, was in excess of the funding available.

It was reported that some of the data held by the Maintenance team was out of date. New asset software was being utilised to manage and update the data held. The team had identified a need to invest in a greater number of condition surveys.

The commission requested a copy of the complete portfolio of properties owned by the council. The 34 corporate buildings which were being monitored should be highlighted on the list. The Head of Maintenance and Energy agreed to circulate this list to the commission.

The Head of Maintenance and Energy confirmed that the maintenance backlog included properties which were listed for disposal. The council retained a maintenance liability in relation to these properties, until their disposal became

effective. The SAMG would be investigating how the sale or disposal of these properties would be achieved.

The commission requested that it was kept informed of the work undertaken by SAMG. The commission also requested clarification regarding the process surrounding properties which were cited as 'deferred disposals' for market increase. It was suggested that Stephen Meynell, the Head of Estates and Richard Williams, the Director of Regeneration would be able to address this question and provide an update at a future meeting.

Resolved:

A. to note the report; and

B. to recommend that the Cabinet Member with responsibilities for asset management should be a member of the Strategic Asset Management Group.

23/11 School Catering Contract Update

The commission received a report from Sarah Edwards, the Transformation Team Senior Project Manager. The report provided an update on the progress achieved towards revising the tender approach to procure a group contract, which delivered a fully managed school meals service. The report also outlined the cost of officer time spent on the project.

The commission expressed its concern that 16% of the project costs were attributable to the hire of consultants. The commission questioned why the council's procurement team was not utilised. The Senior Project Manager explained that the tender process required the team to produce a schedule of kitchen assets in relation to every school. This work was required within a short timescale. A mechanical engineer was commissioned to conduct the audit of school kitchens and to produce computer-aided design (CAD) drawings. The commission questioned what percentage of the cost of hiring an engineer was attributable to the production of CAD drawings. The Senior Project Manager advised the commission that although this information was not readily available, it could be provided.

It was reported that a number of schools had not kept their kitchens in a good state of repair. Last year a number of kitchens closed due to health and safety concerns. This had created additional problems during the development of the school catering contract.

The Senior Project Manager confirmed that the council had received a £500,000 government grant which required match funding. Discussions regarding how this money would be utilised were ongoing.

The commission felt that schools should be required to provide a planned maintenance programme that was routinely inspected by the health and safety

section. This would ensure the prevention of similar health and safety problems in the future.

The commission recognised that there were a significant number of schools whose kitchens required investment to bring them up to minimum standards. It was reported that the new catering contract would achieve savings in the current spend on school meals. The commission recommended that the council maintained the current level of spend on school meals and used the savings to ensure that the remainder of the kitchens met the minimum standard.

The Commission was informed that local authorities continued to be responsible for major capital works to schools, including kitchens for schools that had opted out of local authority control. The commission felt that this was unfair on local authorities and that representations should be made to the Secretary of State for Education.

Resolved:

A. to note the report;

B. to recommend that all schools that have kitchens should have a schedule of planned maintenance that contained objective evidence of compliance and should be checked by the Health and Safety section on their inspections;

C. to recommend that funding provided for school meals provision should continue to be allocated at the current level until all school kitchens are brought up to an appropriate standard; and

D. to recommend that schools opting out of local authority control should be required to maintain their buildings including kitchens as part of the opting out process. The Council Cabinet should write to the Secretary of State for Education to highlight this anomaly.

24/11 Impact of Changes to Climate Change and Energy Management Teams

The commission received a report from Paul Pearson, the Energy Team Leader. The reduction in the number of enquiries being dealt with by the Climate Change team was causing a significant impact on cost to residents, as well as having a detrimental affect on the climate. The commission was informed that on average, each enquiry led to a saving of £85 person and therefore, 1,500 enquiries could have saved residents £127,000 and approximately 200 tonnes of carbon emissions.

The commission asked the teams to demonstrate which projects would not be delivered this year due to the teams' reduced capacity and resource. The Energy Team Leader confirmed that he would circulate this information to the commission.

The commission referred to section 4.2 of the report and questioned the origin of the teams' objectives. It was reported that the objectives were influenced by the teams'

priorities. The teams were endeavouring to identify new ways of being technically efficient. Some projects were more resource intensive during implementation.

It was reported that projects administered by both teams had been affected by the restructure of the service.

The commission referred to sections 4.13 and 4.14 of the report and requested the projected total carbon cost of poor performance per tonne of CO₂ for the current year. It was reported that the teams' commitment to carbon reduction related to emissions from Derby City Council's buildings. The team took carbon budget allowances and the cost of those emissions into account but there was also a direct energy cost. A clear link could be identified between reducing carbon emissions and reducing the energy costs listed in energy suppliers' bills. The precise nature of a direct energy cost was difficult to quantify. The forecast was subject to different meter rates. This contributed to a generalised forecast. Accurate forecasts could be produced for a detailed case, if required.

It was reported that residents were approaching the teams for advice but due to the reduced level of promotional activity, fewer enquiries were being dealt with. The teams were unable to provide in-depth support to residents and were no longer able to conduct home visits.

The commission recognised that the staffing reductions impacted on the teams' capacity to provide in-depth advice and support to residents. The commission suggested that they could provide a signposting service, which directed residents to other organisations who could provide advice.

Resolved:

A. to note the report;

B. in view of the impact of reduction in staffing, which has resulted in approximately 50% reduction in resident enquires, to ask the Council Cabinet to reinstate climate change priorities and bring resident enquiries to original level; and

C. to recommend that a more accurate forecast of reductions in Carbon Reduction Commitment allowances is undertaken.

25/11 Update on the Review of Governance and Ethical Standards

This item was withdrawn.

26/11 Scrutiny of the Forward Plan

It was reported that the Council Cabinet would be considering two items at their next meeting, which were not in the Forward Plan. The first item concerned changes to

the separate recycling of cardboard. The second item concerned neighbourhood nursery provision.

Resolved to note the items that would be considered by the Council Cabinet, which were not included in the Forward Plan.

27/11 Forward Plan

It was reported that since the distribution of the agenda, which contained the September Forward Plan, the October Forward Plan had been published. The commission noted that there were two information communication technology items which were included retrospectively to avoid the need for a special meeting.

Resolved to note the September and October Forward Plans.

28/11 Retrospective Scrutiny

There were no items.

29/11 Matters referred to the Commission by Council Cabinet

There were no items.

MINUTES END