

AGENDA ITEM 6

REPORT TO ENVIRONMENT SELECT COMMITTEE

30 APRIL 2012

UPDATE ON PROGRESS OF PREVIOUS REVIEWS

SUMMARY

This report sets out in a little more detail some of the progress made on the EIT reviews of the Built and Natural Environment Service Area and the Carbon Management Programme.

DETAIL

Built and Natural Environment Service Area

Three key areas were remaining from this review:

- Simplifying the Blue Badge process;
- Reviewing the trading account arrangements;
- Introduction of parking charges to Yarm and Yarm Rail Halt.

Progress has been made on the first two but because of a series of challenges to the introduction of charging for parking in Yarm that has been delayed.

Blue Badges

The new method of assessing applications was introduced in October 2011 through the new Contact Centre in Stockton. This was based around the model developed by Sunderland City Council but enhanced to fit with the software that is used in our Contact Centre.

The original process was paper based and involved requesting medical reports from the applicants GP for which there was a charge of around £25 per application. This meant that in 2009/10 the total cost of GP reports was £56,300. That was funded by the PCT, however, it was felt that changes to the PCT arrangements in future years would mean this budget pressure would inevitably fall to the Local Authority. It was therefore felt that a different approach to the Blue Badge process that could eradicate the need for GP referrals would be a financial benefit. The other issue with the process as it was in 2010 was the time taken from application to the issue of the blue badge, which was averaging 14 days but could be as long as six weeks where GPs were slow to respond.

The charges that were levied for blue badges were set out at a maximum of £2.00 per applicant. This clearly did not cover the costs which were averaged at £38.07 each.

The new process went live in October 2011 and the data available for the first five months demonstrate significant improvements in costs and time to process the application. The fundamental difference is that the application can be dealt with over the telephone, taking the applicant through a series of questions designed by Occupational Therapists to assess the eligibility of the applicant. An answer can be given immediately and the badge issued in five days. There is no longer a referral to the GP as the questions asked can identify the eligibility of the applicant. This alone has saved around £56K per annum. Administrative costs have also been reduced and there is now a £10 charge per blue badge of which £4.60 is paid to Northgate, the

company that won the national contract for blue badge supply. From a position of costing £38.07 to process it is now cost neutral.

There was a concern that by making the process simple and not involving a GP the level of applications and number of badges issued would increase. This has not been the case, in fact in the five months since this system was introduced the number of badges issued was 1367 when compared with the same period in 2010/11 it was 1398 which is a 2% reduction. At the same time the number of applications declined rose from 44 to 91 in the new system which is a 105% increase. This may be as a result of the Occupational Therapist designed assessment being more robust than that applied by GPs.

Where an application is declined there is the option to appeal. In this period there were 150 appeals of which 59 were successful.

The conclusion is that this new approach has not only speeded up the application process but also achieved significant efficiencies in costs.

Reviewing the Trading Account Arrangements

As part of the Council wide review on internal recharges a review of Technical Services fees has been carried out with the aim to minimise management & admin time spent on them, ensure transparency of cost whilst simplifying budget management for both project manager and the client itself.

The process that was in place used a different variety of charging mechanisms across a number of specialist teams leading to a variety of recharges being processed to one project and at differing times. This led to uncertainty for predicting costs to the scheme as well as a burden on Technical Services staff to chase 'fee income' during the year in order to meet income targets.

Following an options appraisal it was agreed that, as the Capital Programme generated the majority of costs, this would be the driver for setting future fee income. Percentage fees levels were therefore applied to the Approved 12/13 programme based on type of work and previous levels of fees historically charged. Alongside this Technical Services undertook a review to ensure staffing levels and costs were appropriate based on anticipated future levels of work. The cost base was then compared to the expected income levels to ensure there was no large gaps etc and fee levels challenged to ensure they represented value for money.

For 2012/13 the current recharges will be replaced with a one off annual charge to Capital Programme made at the start of the financial year. This will cover all costs across Technical Services. Assets & Projects Finance will, through monitoring with Project Managers, ensure scheme progression is in line with fees charged, any major slippage or new projects may result in an adjustment to fees. The following benefits will now be achieved:

- Annual fee income is known from the start allowing Technical Services staff to concentrate on delivery of projects more.
- Planning over medium term is more certain as project managers know the fee level schemes will be charged and when.
- Admin and management time spend on processing and analysing income is vastly reduced.

Carbon Management Programme

The Carbon Management Plan was agreed at Cabinet in November 2007 with a target to achieve a 25% reduction by March 2013.

The first year of the programme focused on some "quick wins" resulting in a 7% carbon reduction. However as the plan moved into the second and third years it became apparent that the projected savings would become more challenging. This was particularly the case with electricity

consumption because of the growing use of ICT and increased opening hours in schools and Council buildings. Some of the key successes in the programme have been:

- Voltage Regulators – installed in Queensway House, Bishopsgarth, Conyers and Eggescliffe Schools, plus Municipal Buildings. Achieving an average of 13% reduction in electricity consumption.
- ICT Switch Off – one of the early successes of the programme.
- Bio Diesel – 10% biodiesel mix achieved via bulk purchase in bunkered fuel.
- Electric Vehicles – two being used by Direct Services and one trialled by Technical Services as a pool vehicle.
- Street Lighting – dimming installed and being extended using Salix funding. Photocells installed to reduce the burning hours of the lanterns. A further £800K secured for 2012/13 from Salix as a loan to achieve savings using replacement ballasts and achieving a five year pay back.
- Billingham Forum Refurbishment – using £600K of Salix to install insulation and CHP.
- Workwise – in Kingsway House new lighting on two floors that is daylight and movement sensitive is set to achieve savings of around £3k per annum and a model for further installations.

Key Actions planned for the final year of the programme include:

- A review and refresh of the carbon management plan to achieve further savings.
- Roll out of dimming to street lighting.
- Business case developed for PV installations on key buildings.
- Extend the principles of workwise to other buildings as part of the accommodation strategy.

The end of the year data is not available at this point but will be available by the end of May at which point it will be reported to Members.

Name of Contact Officer: Mike Chicken
Post Title: Built & Natural Environment Manager
Telephone No. 01642 528148
Email Address: mike.chicken@stockton.gov.uk