

# Overview and Scrutiny Committee

**Making a Difference  
Through Scrutiny:  
Opening Training Session**  
– David McGrath  
6.30pm

Wednesday, 2nd June,  
2010  
2010  
7.30 pm

Committee Room Two  
Town Hall  
Redditch



[www.redditchbc.gov.uk](http://www.redditchbc.gov.uk)

# Access to Information - Your Rights

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The Local Government (Access to Information) Act 1985 widened the rights of press and public to attend Local Authority meetings and to see certain documents. Recently the Freedom of Information Act 2000, has further broadened these rights, and limited exemptions under the 1985 Act.

Your main rights are set out below:-

- Automatic right to attend all Council and Committee meetings unless the business would disclose confidential or “exempt” information.
- Automatic right to inspect agenda and public reports at least five days before the date of the meeting.
- Automatic right to inspect minutes of the Council and its Committees (or summaries of business undertaken in private) for up to six years following a meeting.
- Automatic right to inspect lists of background papers used in the preparation of public reports.
- Access, upon request, to the background papers on which reports are based for a period of up to four years from the date of the meeting.
- Access to a public register stating the names and addresses and electoral areas of all Councillors with details of the membership of all Committees etc.
- A reasonable number of copies of agenda and reports relating to items to be considered in public must be made available to the public attending meetings of the Council and its Committees etc.
- Access to a list specifying those powers which the Council has delegated to its Officers indicating also the titles of the Officers concerned.
- Access to a summary of the rights of the public to attend meetings of the Council and its Committees etc. and to inspect and copy documents.
- In addition, the public now has a right to be present when the Council determines “Key Decisions” unless the business would disclose confidential or “exempt” information.
- Unless otherwise stated, all items of business before the Executive Committee are Key Decisions.
- (Copies of Agenda Lists are published in advance of the meetings on the Council’s Website:  
**[www.redditchbc.gov.uk](http://www.redditchbc.gov.uk)**

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**If you have any queries on this Agenda or any of the decisions taken or wish to exercise any of the above rights of access to information, please contact**

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**Minicom: 595528**

# Welcome to today's meeting.

## Guidance for the Public

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### **Agenda Papers**

The **Agenda List** at the front of the Agenda summarises the issues to be discussed and is followed by the Officers' full supporting **Reports**.

### **Chair**

The Chair is responsible for the proper conduct of the meeting. Generally to one side of the Chair is the Committee Support Officer who gives advice on the proper conduct of the meeting and ensures that the debate and the decisions are properly recorded. On the Chair's other side are the relevant Council Officers. The Councillors ("Members") of the Committee occupy the remaining seats around the table.

### **Running Order**

Items will normally be taken in the order printed but, in particular circumstances, the Chair may agree to vary the order.

**Refreshments** : tea, coffee and water are normally available at meetings - please serve yourself.

### **Decisions**

Decisions at the meeting will be taken by the **Councillors** who are the democratically elected representatives. They are advised by **Officers** who are paid professionals and do not have a vote.

### **Members of the Public**

Members of the public may, by prior arrangement, speak at meetings of the Council or its Committees. Specific procedures exist for Appeals Hearings or for meetings involving Licence or Planning Applications. For further information on this point, please speak to the Committee Support Officer.

### **Special Arrangements**

If you have any particular needs, please contact the Committee Support Officer.

Infra-red devices for the hearing impaired are available on request at the meeting. Other facilities may require prior arrangement.

### **Further Information**

If you require any further information, please contact the Committee Support Officer (see foot of page opposite).

### **Fire/ Emergency instructions**

**If the alarm is sounded, please leave the building by the nearest available exit – these are clearly indicated within all the Committee Rooms.**

**If you discover a fire, inform a member of staff or operate the nearest alarm call point (wall mounted red rectangular box). In the event of the fire alarm sounding, leave the building immediately following the fire exit signs. Officers have been appointed with responsibility to ensure that all visitors are escorted from the building.**

**Do Not stop to collect personal belongings.**

**Do Not use lifts.**

**Do Not re-enter the building until told to do so.**

**The emergency Assembly Area is on Walter Stranz Square.**

# Declaration of Interests: Guidance for Councillors

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DO I HAVE A "PERSONAL INTEREST" ?

- Where the item relates or is likely to affect your **registered interests** (what you have declared on the formal Register of Interests)

**OR**

- Where a decision in relation to the item might reasonably be regarded as affecting **your own** well-being or financial position, or that of your **family**, or your **close associates** more than most other people affected by the issue,

you have a personal interest.

WHAT MUST I DO? **Declare the existence, and nature, of your interest and stay**

- The declaration must relate to specific business being decided - a general scattergun approach is not needed
- **Exception** - where interest arises only because of your membership of another **public body**, there is no need to declare unless you **speak** on the matter.
- You **can vote** on the matter.

IS IT A "PREJUDICIAL INTEREST" ?

In general only if:-

- It is a personal interest **and**
  - The item affects your **financial position** (or conveys other benefits), or the position of your **family, close associates** or bodies through which you have a **registered interest** (or relates to the exercise of **regulatory functions** in relation to these groups)
- and**
- A member of public, with knowledge of the relevant facts, would reasonably believe the interest was likely to **prejudice** your judgement of the public interest.

WHAT MUST I DO? **Declare and Withdraw**

BUT you may make representations to the meeting before withdrawing, **if** the public have similar rights (such as the right to speak at Planning Committee).



# Overview and Scrutiny

## Committee

Wednesday, 2nd June, 2010

7.30 pm

Committee Room 2 Town Hall

### Agenda

#### Membership:

Cllrs:                    D Thomas (Chair)                    W Norton  
                                  A Clayton (Vice-                    B Quinney  
                                  Chair)                                    M Shurmer  
                                  K Banks                                    G Vickery  
                                  W Hartnett  
                                  R King

<p><b>1. Apologies and named substitutes</b></p>	<p>To receive apologies for absence and details of any Councillor (or co-optee substitute) nominated to attend this meeting in place of a member of this Committee.</p>
<p><b>2. Declarations of interest and of Party Whip</b></p>	<p>To invite Councillors to declare any interest they may have in items on the Agenda and any Party Whip.</p>
<p><b>3. Minutes</b> (Pages 1 - 10)</p>	<p>To confirm the minutes of the most recent meeting of the Overview and Scrutiny Committee as a correct record.</p> <p>(Minutes attached)</p>
<p><b>4. Actions List</b> (Pages 11 - 14)  C Felton - Head of Legal, Equalities and Democratic Services</p>	<p>To note the contents of the Overview and Scrutiny Actions List.</p> <p>(Report attached)</p> <p><b>(No Specific Ward Relevance)</b></p>
<p><b>5. Call-in and Pre-Scrutiny</b></p>	<p>To consider whether any Key Decisions of the Executive Committee's most recent meeting(s) should be subject to call-in and also to consider whether any items on the Forward Plan require pre-scrutiny.</p> <p>(No separate report).</p> <p><b>(No Specific Ward Relevance)</b></p>

# Overview and Scrutiny

Committee

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<p><b>6. Task &amp; Finish Reviews - Draft Scoping Documents</b></p>	<p>To consider any scoping documents provided for possible Overview and Scrutiny review.</p> <p>(No reports attached)</p> <p><b>(No Specific Ward Relevance)</b></p>
<p><b>7. Task and Finish Groups - Progress Reports</b></p> <p>(Pages 15 - 24)</p>	<p>To consider progress to date on the current reviews against the terms set by the Overview and Scrutiny Committee.</p> <p>The current reviews in progress are:</p> <ol style="list-style-type: none"><li>1. Local Strategic Partnership – Chair, Councillor W Norton; and</li><li>2. Joint Worcestershire Hub – Redditch representative, Councillor G Hopkins.</li></ol> <p>(Report attached and oral reports to follow).</p> <p><b>All Wards</b></p>
<p><b>8. Bus Pass Scheme: County Provision - Update</b></p> <p>A Heighway, Head of Community Services</p>	<p>To receive an update on progress to date regarding the bus pass scheme for the County.</p> <p>(Oral report).</p> <p><b>All Wards</b></p>
<p><b>9. Business Centres Report - Pre-Scrutiny</b></p> <p>(Pages 25 - 64)</p> <p>R Bamford - Head of Planning and Regeneration</p>	<p>To pre-scrutinise a report concerning the future of the Council's Business Centres.</p> <p>(Reports attached).</p> <p><b>(Greenlands; Lodge Park; and Matchborough Wards).</b></p>
<p><b>10. Work Programme Planning Event</b></p> <p>(Pages 65 - 66)</p> <p>C Felton, Head of Legal, Equalities and Democratic Services</p>	<p>To consider and approve an agenda for the Scrutiny Work Programme Planning Event and to identify an appropriate date for the event.</p> <p>(Report attached and oral report to follow).</p> <p><b>(No Specific Ward Relevance)</b></p>

# Overview and Scrutiny

Committee

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<b>11. Referrals</b>	<p>To consider any referrals to the Overview &amp; Scrutiny Committee direct, or arising from:</p> <ul style="list-style-type: none"><li>• The Executive Committee or full Council</li><li>• Other sources.</li></ul> <p>(No separate report).</p> <p><b>(No Specific Ward Relevance)</b></p>
<b>12. Work Programme</b> (Pages 67 - 72)	<p>To consider the Committee's current Work Programme, and potential items for addition to the list arising from:</p> <ul style="list-style-type: none"><li>• The Forward Plan / Committee agendas</li><li>• External publications</li><li>• Other sources.</li></ul> <p>(Report attached)</p> <p><b>(No Specific Ward Relevance)</b></p>
<b>13. Exclusion of the Press and Public</b>	<p>Should it be necessary, in the opinion of the Borough Director, during the course of the meeting to consider excluding the public from the meeting on the grounds that exempt information is likely to be divulged, it may be necessary to move the following resolution:</p> <p>"That, under S.100 (A) (4) of the Local Government Act 1972, the public be excluded from the meeting for the following matter(s) on the grounds that it/they involve(s) the likely disclosure of exempt information as defined in the relevant paragraphs (to be specified) of Part 1 of Schedule 12 (A) of the said Act".</p> <p><b>(No Specific Ward Relevance)</b></p>







# Overview and Scrutiny Committee

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28th April 2010

## MINUTES

### Present:

Councillor Phil Mould (Chair), and Councillors K Banks, G Chance, J Pearce and D Taylor

### Also Present:

Councillors P Anderson, M Braley and C Gandy.  
T Buckley (Co-opted Representative – Unison)

### Officers:

B Barr, C Felton and J Pickering  
F Scott (Bromsgrove District Council)

### Committee Services Officers:

J Bayley and J Smyth

## 229. APOLOGIES AND NAMED SUBSTITUTES

Apologies for absence were received on behalf of Councillors R King, Smith and Thomas.

## 230. DECLARATIONS OF INTEREST AND OF PARTY WHIP

There were no declarations of interest nor of any Party Whip.

## 231. MINUTES

The Committee was provided with brief updates on two of the minutes, namely:

- a) in respect of Minute 220 (Crime and Disorder Scrutiny Panel – Chair's Update), Members were informed that West Mercia Police Authority had made contact and advised that they would be considering the invitation to nominate a co-opted member to join the Panel at their Annual Meeting in June: and

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Chair

# Overview and Scrutiny Committee

28th April 2010

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- b) in respect of Minute 224 c (CfPS Good Scrutiny Awards), Members were informed that ninety five submissions had been received and were currently being short listed. It was anticipated that the results of the short listed submissions would be announced on the 25th May.

**RESOLVED that**

**the minutes of the meeting of the Committee held on 7th April 2010 be confirmed as a correct record and signed by the Chair.**

**232. ACTIONS LIST**

The Committee considered the latest version of the Actions List and specific mention was made of the following matter:

Action 5: Communal Cleaning Contract for Council properties

Members were informed that the further consultation work requested had commenced and would be completed within eight to twelve weeks. An update would be provided in due course.

**RESOLVED that**

**the report be noted.**

**233. CALL-IN AND PRE-SCRUTINY**

It was noted that due to the last scheduled meeting of the Executive Committee being cancelled, there had been no call-ins. There were also no requests for any item on the Forward Plan to be pre-scrutinised.

**234. TASK & FINISH REVIEWS - DRAFT SCOPING DOCUMENTS**

There were no draft scoping documents for the Committee to review.

**235. TASK AND FINISH GROUPS - PROGRESS REPORTS**

The Committee received reports in relation to current reviews, namely:

- a) Local Strategic Partnership (LSP)

Members were informed that the Task and Finish Group had held three further interviews since the last meeting of the

# Overview and Scrutiny Committee

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Overview and Scrutiny Committee. It was further noted that the next meeting was likely to be organised for some time in May, following the Elections.

b) Joint Worcestershire Hub Review

Councillor Pearce reported that issues around monitoring and a general lack of available information had been discussed at the last meeting. Members noted that relevant Officers in at Redditch Borough Council would be providing information about the operation of the Hub in Redditch for consideration at the following meeting when the robustness of the monitoring process would be discussed.

**RESOLVED that**

**the reports be noted.**

**236. BUS PASS SCHEME: COUNTY PROVISION - UPDATE**

The Committee was informed that no further updates had been provided since the previous meeting.

Councillor Gandy reported that she had received a letter relating to a test case in London where the Institute for the Blind had taken a local Council to Court following their decision to restrict use of bus passes and not allow any use prior to 9.30am. They had won the case on the grounds that the decision discriminated against people with sight problems, who were reliant on buses at peak times as they were not able to drive. Councillor Gandy suggested that the success of the test case could potentially lead to other similar claims and was something that would have to be borne in mind and she was intending to raise the matter at a future Leaders Meeting.

**RESOLVED that**

**the report be noted.**

**237. GENDER EQUALITIES - UPDATE REPORT**

The Committee received a presentation on the Council's Gender Equalities Scheme and the Council's requirement to abide by a new Gender Equality Duty which came into force from April 2007 and publish a scheme showing how the Authority would meet their general duties to eliminate unlawful discrimination between men and women, eliminate harassment based on gender and promote equality of opportunity between men and women.

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Members noted that the gender equality duty required the Council to demonstrate through specific duties and practical measures how they intended to establish and operate the scheme and Officers suggested that a Lead Officer role would need to be established at the end of the process.

It was reported that the 2007 Duties were further amended in 2008 to include demonstrable actions to eliminate discrimination and harassment against transsexual and transgender people across all sectors. Officers advised that emerging new guidance meant the scheme was somewhat fluid at the moment and further changes were likely before coming into effect in June 2011.

Members were advised that the Council was expected to focus on four main issues identified as being the most significant for Gender Equality, namely:

1. income and pay gaps;
2. gender power;
3. violence and aggression against women and girls; and
4. discrimination and harassment against transsexual and transgender people.

The Council would be required to identify what functions were already in place to address the four areas and consider how to provide for what it did not have. Evidence would need to be collected to prove that appropriate consultation, monitoring, assessment of impact of actions and review progress had been undertaken to identify the most important issues for gender equality within the Council's remit. The Council would also have to consider addressing the gender pay-gap within its wider remit.

The Council's Policy would need to be clarified and the process would need to be achieved through:

- 1) leadership;
- 2) ownership of policy objectives by Service Departments;
- 3) collection of information by gender in delivery of services and employment opportunities whenever possible; and
- 4) consultation and involvement with the community and partners.

Members were informed that Bromsgrove's current scheme, whilst not perfect, would probably be acceptable under the new arrangements. Work was being done however, on a new scheme to address longer term objectives.

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Officers provided clarification on a number of points, including a query on whether the Council had undertaken a pay equality audit. Members were advised that this would form part of the Job Evaluation process.

The Head of Legal, Equalities and Democratic Services reported that the vagueness of initial guidance had not helped but new information being provided would help to set up a framework through which specific actions that would fall into the scheme could be taken as a matter of course.

Members discussed the contribution the Council could make to address issues of violence against women and children. Officers advised that the Council could consider providing a range of services, for example rape crisis centres and refuges. Local authorities were being looked to to provide services for an anticipated high demand. It was suggested that the Equality and Human Rights Commission did not seem to understand the financial constraints on small local authorities. Any provision of specialist services would have to be looked at on a partnership basis, such as through shared services.

Officers advised that both recording and monitoring of reported incidents were undertaken and gender discrimination would form part of part of any local authority scheme. Mention was made of the Community Forum, a vibrant group of people who provided very good input into consultations and various other partnerships, such as with the Police. The Council had a number of mechanisms that could be evidenced to prove its compliance; there was, however, a need to ensure that all measures possible were put in place to avoid any challenges.

The Union perspective was that the Gender Equalities Scheme covered a wide, often vague, subject matter and that budgets would potentially be an issue. It was, however, a step in the right direction and something that the Council, working with partners, needed to consider.

It was agreed that of the four main issues identified as being significant, the causes and consequences of violence against women and girls was the most important area for further scrutiny.

## **RESOLVED that**

- 1) the presentation and supporting documents be noted;  
and**

# Overview and Scrutiny Committee

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- 2) **the domestic violence strand of the identified four main focus areas be referred on to the Crime and Disorder Scrutiny Panel for further discussion.**

## 238. YOUTH EMPLOYMENT

The Committee considered a report which detailed youth employment statistics for Redditch Borough Council, together with current initiatives and potential developments. The following matters were highlighted:

- a) Under 30's Employment

The Human Resources Development Manager highlighted the figures detailed in the report which demonstrated the balance of young people employed by the Council on permanent and casual contracts. These figures were not too dissimilar to other authorities if casual employees were not included. It was noted, however, that the authority employed a greater percentage of casual 16 to 24 years that other Local Authorities, predominantly in Leisure Services.

- b) Existing initiatives: Apprenticeships / Work Experience initiatives

Members were reminded of the three year plan that had been agreed in 2009 when a budget had been agreed for the Council to participate in a pilot to encourage apprenticeships and work experience. The apprenticeships' budget was allocated following submissions for placements by Service Managers. The Council currently employed two apprentices with funding in place for a third.

It was reported that, in comparison to some authorities the Council was doing very well with placements increasing year by year, although they were often offered in the same departments. Officers were looking to address this problem and expand the opportunities for placements across the Authority. Members further noted that Officers were currently looking into supporting schools and colleges running the Diplomas in Public Services due to be introduced in September.

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c) Potential Future Developments: Graduate Programme and Internships

Members were briefly updated on the National Graduate Development Programme which seeks to recruit and develop graduates with the potential to fill senior management roles in local government as well as the potential for the development of 12 month internships for third year undergraduates in local authorities. It was noted that there would be financial implications as undergraduates would generally be looking for paid placements and internships. For this reason, joining the programme was not regarded as viable at this time.

The Union representative attending suggested that graduate placements and internships formed part of a valid career structure and were worth considering at some point, particularly as there was the potential for the Council to find themselves with a huge gap in knowledge and experience when older, long serving members of staff retired. Members were informed that most local authorities were struggling with recruitment and retention of young people and it was suggested that shared services might provide better prospects for staff development and improve the situation.

Mention was also made of the Future Jobs Fund, a nationwide scheme which was designed to support the creation of jobs for young people aged 18-24 who had been out of work for a year or more. In Worcestershire many of the young people would be supported into 'green jobs' and would be required to work a minimum of 25 hours per week. There was no guarantee that these young people would be residents of Redditch and a number of applications for had been completed by residents living in other parts of Worcestershire. Officers agreed to discuss the matter further with Worcestershire County Council and to urge the authority to ensure that Pertemps, the employment agency which had won the contract to deliver this work in Worcestershire, advertised all Redditch opportunities within the Borough.

It was suggested that the higher aspirations young people had today were not always achievable and students often moved from course to course trying to find a career. Under these circumstances it was suggested that it might be useful for pupils to have 'tasters' of different jobs during school times as this might help them to decide what they wanted to do with their careers.

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**RESOLVED that**

- 1) the report be noted; and
- 2) the Committee continue to monitor the situation with regards to youth employment at the Council.

**239. MEDIUM TERM FINANCIAL PLAN**

The Committee considered a number of reports, provided by the Audit Commission, on best practice examples of other local authority Medium Term Financial Plans for comparison purposes. This provided an opportunity to identify measures, if any, that could be taken to improve the Council's Medium Term Financial Strategy and Plan in future years.

The Director of Finance and Resources reported that, Redditch Borough Council had been scored as a two star Council, as had Bromsgrove. The Audit Commission had been challenged on a number of points, it had been acknowledged that a number of areas did require improvement.

Members were informed that, whilst there was not a lot of risk involved in Medium Term Financial Planning, budget setting was difficult and would remain so for the foreseeable future. Risk management would be important and there was a need to have a transparent plan that provided clear information for Councillors on all budgets and resources. Councillors needed this to ensure they understood budget setting arrangements and could make an informed contribution to the budget setting process. It was further suggested that the community, through Budget Juries, could be more involved in budget setting processes as this would provide an opportunity for better understanding of the Council's finances and efficiencies.

It was noted that a number of areas of the plan needed to be improved, including better management of efficiencies and performance management. It was suggested that Shared Services should be shown as a separate efficiency for clarity. The Plan provided a lot of statistics but did not inform, and this needed to be addressed to ensure Members knew exactly what the Council was doing and its financial position.

Members suggested that the Medium Term Financial Plan should reflect the Corporate Plan and that figures on accumulative borrowing should be shown. They also queried why spending was not shown against individual services. Officers acknowledged that



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the accumulative borrowing figures were not provided in quarterly budget monitoring and that this point would be taken on board.

Members also expressed some concerns about budget juries. However, it was clear that the public needed to have a better understanding of the Council's finances and the difficult choices that would need to be made whilst the Council needed to get a feel for what people really wanted.

Members further commented that whilst clarity about the Council's finances was needed there was a risk that lobby groups could try and impose their views. Empowering people was important but not to the point that the Council lost control. The public needed to understand, in simple terms, what was happening with the authority's finances.

## **RESOLVED that**

**subject to the comments detailed in the preamble above, the report be noted.**

### **240. REVIEW OF THE OPERATION OF THE OVERVIEW AND SCRUTINY COMMITTEE - MUNICIPAL YEAR 2009/10**

Members were invited to reflect on the operation of the Committee during the 2009/10 municipal year and consider whether they wished to propose any amendments to current practices.

The Chair commented that the Committee's Annual Report, which had been discussed at the previous meeting, had already highlighted the weaknesses and areas that required improvement. He did not, therefore, believe that the item was suitable for the Committee's consideration.

Members raised the matter of the Council Flat Communal Cleaning Task and Finish review and expressed disappointment at the lack of progress being made to implement the recommendations. The Committee had monitored the low response rate to the initial consultation at a previous meeting and Officers had therefore decided to undertake further, more locally focused, consultations in Winyates and Exhall Close. It was agreed therefore, that pending the completion of the consultation work in those two locations, the Committee continue to monitor the situation.

# **Overview and Scrutiny Committee**

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**RESOLVED that**

- 1) **Officers be asked to review the applicability of the end of year review to the Overview and Scrutiny Committee; and**
- 2) **the consultation work being undertaken in response to the recommendations of the Council Flat Communal Cleaning Task and Finish Group continue to be monitored by the Committee.**

**241. REFERRALS**

There were no referrals.

**242. WORK PROGRAMME**

Members were advised that David McGrath had been invited to deliver an Introduction to Overview and Scrutiny training session at a meeting of the Committee on 2nd June 2010.

The Committee agreed that a letter of thank you be sent to Councillor David Smith for his work and commitment to the Committee during his two years as Vice-Chair.

A note of thanks to the Chair of the Committee was formally requested for all his hard work and support over the past two years.

**RESOLVED that**

- 1) **a vote of thanks to the Chair of the Committee, Councillor Mould, for all his hard work and support over the past two years be formally recorded;**
- 2) **a letter of thanks be forwarded to Councillor Smith for his work and commitment to the Committee during his two years as Vice-Chair; and**
- 3) **subject to any updates previously agreed during the meeting, the Committee's Work Programme be noted.**

The Meeting commenced at 7.00 pm  
and closed at 9.00 pm

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CHAIR

**Actions requested by the Overview and Scrutiny Committee**

<b>Date Action Requested</b>	<b>Action to be Taken</b>	<b>Response</b>
14th October 2009  <b>1</b>	Officers reported an item that had been raised by the Portfolio Holder for Community Safety for the consideration of the Crime and Disorder Scrutiny Panel.	Members agreed that this item should be referred for consideration at the first meeting of the Panel. The Panel is due to consider suggested items for scrutiny at a forthcoming meeting on 15th July 2010. Lead Officer, Overview and Scrutiny Support Officer, estimated completion date, 15th July 2010. (TO BE DONE).
25th November 2009  <b>2</b>	Members discussed NI 192: the percentage of household waste sent for reuse, recycling and composting. They questioned why the figures for September had not yet been provided by Worcestershire County Council.	Officers were asked to investigate the reasons for the delay in obtaining these figures. Lead Officer, Head of Community Services, estimated completion date not specified. (TO BE DONE).
3rd February 2010  <b>3</b>	Members requested further information regarding the convergence between Council rents and RSL rents, in particular the differences between these rents at the present time.	Officers to provide the information requested by Members. Officers have advised that this information will take some time to gather as the Council will need to access the records of external organisations to provide this comparative data. Lead Officer Financial Services Manager, estimated completion date not specified. TO BE DONE.
17th March 2010  <b>4</b>	Members were disappointed to learn that there had been a low response level to the consultation process that had been undertaken regarding the communal cleaning contract for Council properties.	More focussed consultation is in the process of being undertaken starting in Exhall Close and Winyates. TO BE DONE. Lead Officer, Head of Housing and estimated completion date, Not specified.

<p>17th March 2010</p> <p><b>5</b></p>	<p>Members received an Annual Report from the Portfolio Holder for Community Safety. They requested that the information relating to the performance of the Fire Authority, which was presented at meetings of the Redditch Community Safety Partnership's Tasking Group, be incorporated into the performance reports that were regularly presented for Members' consideration.</p>	<p>Officers to ensure that details about the Fire Authority's performance be incorporated into the performance reports considered by the Executive and Overview and Scrutiny Committee from 2010/11 onwards. TO BE DONE. 27th July for the 8th September meeting of the Executive Committee when the first performance report for 2010/11 is due to be considered.</p>
<p>28th April 2010</p> <p><b>6</b></p>	<p>Gender Equalities was considered by the Committee. Members agreed that the subject of the causes and consequences of violence against women and girls, one of the four main issues identified for gender equalities work, should be scrutinised in further detail by the Crime and Disorder Scrutiny Panel.</p>	<p>The subject should be referred for the consideration of the Panel at a forthcoming meeting on 15th July 2010. Lead Officer, Overview and Scrutiny Support Officer, estimated completion date, 15th July 2010. TO BE DONE.</p>
<p>28th April 2010</p> <p><b>7</b></p>	<p>Members considered the subject of youth employment at the Council. It was agreed that this was a suitable subject for further, ongoing scrutiny.</p>	<p>The Committee's Work Programme has been amended accordingly. DONE.</p>
<p>28th April 2010</p> <p><b>8</b></p>	<p>The end of year report for the Committee was discussed. Members questioned whether it was appropriate for the Committee to have this end of year review item as the Committee covered this issue in the Scrutiny Annual Report.</p>	<p>Relevant Officers were asked to review the applicability of this item to scrutiny in future years. Officers have reported that the item can be removed from the Committee's Work Programme if the Annual Report incorporates both in year achievements and the potential need for procedural changes. DONE.</p>

<p>28th April 2010</p> <p><b>9</b></p>	<p>Members expressed disappointment about the rate of progress in response to the Council Flat Communal Cleaning Task and Finish Group's recommendations, particularly with regards to the consultation process for introducing cleaning arrangements in all communal areas.</p>	<p>Members agreed that the Committee should receive an update on the outcomes of more focussed consultation work following completion of this consultation in Exhall Close and Winyates in July 2010. The Committee's Work Programme has been altered accordingly. DONE.</p>
<p>28th April 2010</p> <p><b>10</b></p>	<p>Members requested that a letter be dispatched to former Councillor David Smith to thank him for his hard work as Vice Chair of the Committee over the previous two years.</p>	<p>A letter has been dispatched accordingly. DONE.</p>
<p>28th April 2010</p> <p><b>11</b></p>	<p>Members requested that a note of thanks be recorded in the minutes from the meeting formally thanking former Councillor Phil Mould for his hard work as the Chair of the Committee over the previous two years.</p>	<p>The thank you was noted accordingly in the minutes from the meeting. DONE.</p>



**Worcestershire Hub Scrutiny Task Group Meeting****Wednesday 24 March 2010, 2.00pm – Notes / Action sheet**MembersWorcestershire County Council

Bob Banks (lead)  
 Nathan Desmond  
 Lucy Hodgson  
 Stephen Peters

District Councils (co-optees)

Laurie Evans (Wychavon District Council)  
 Jinny Pearce (Redditch Borough Council)  
 Roger Sutton (Malvern Hills District Council)  
 Kit Taylor (Bromsgrove District Council)  
 Geoff Williams (Worcester City Council)

Item 2: Rob Adams (Wychavon District Council) and Paul Cummings (Malvern Hills District Council)

Officers

Scrutiny: Suzanne O'leary, Overview and Scrutiny Manager, Emma James, Overview and Scrutiny Officer, Annette Stock, Policy & Review Officer and Emma Breckin, Performance Improvement Officer (Scrutiny Liaison Officers)

Item 2 - Nick Jefferies, Head of Revenues and Benefits Shared Service

Item 3 – Rachel Hill, Head of Customer Services for the Worcestershire Hub

Available papers

Item 2 – scrutiny report and presentation handouts

Item 3 -

- presentation handouts
- Diagram of South Worcestershire Shared Service Partnership Governance arrangements
- Worcestershire Hub governance : paper to Worcestershire Hub Board (July 2009)
- Membership of Worcestershire Hub shared Service (WHSS) Management Board
- Worcestershire Hub Shared Service: paper to Joint Committee recommending establishment of the WHSS management Board (Nov 09)

	<b>Action</b>
<p>1. <b>Welcome/Apologies</b>            The Chair welcomed everyone to the meeting.</p> <p>Apologies were received from Beverley Nielsen and David Thain.</p> <p>Bob Banks declared a personal interest, as a member of the Worcestershire Hub Board. Lucy Hodgson declared a personal interest in relation to her district councillor role with Worcester City Council, as she was the Cabinet Member with responsibility for Customer Care and Citizens' Engagement, and also a member of the Hub Shared Service Management Board.</p>	<p>Circulate additional papers</p> <p>Include item on all future agendas</p>
<p>2. <b>South Worcestershire Revenues and Benefits Shared Service Joint Scrutiny</b>            Cllr Rob Adams – Wychavon District Council            Cllr Paul Cumming – Malvern Hills District Council            Geoff Williams – Worcester City Council            Nick Jefferies – Head of Revenues and Benefits Shared Service</p> <p>Cllrs Adams, Cumming and Williams gave a presentation on the remit and findings of this recent scrutiny (handouts circulated)            During the scrutiny, changes were constantly taking place, due to the nature of</p>	

the service transformation, and the unprecedented effects of the recession. The service transformation was not yet complete.

It had proved useful to focus on the business case, and whether it was fit for purpose. It was accepted that people often don't want change. There was a view that finances had appeared to be the main driver for the project and that this had the potential to cause tension with other aspects of the service.

It was felt that the financial benefits had come to fruition (efficiencies of £150,000 for Malvern Hills District Council and £420,000 for Wychavon District Council)

The recession had placed the service under enormous pressure, testing the resilience of the business case - there was a clear view that without the shared service, the service would have been much worse affected. It was difficult to assess the appropriateness of staffing levels, as these had been based on 2006 levels. It was important to have sufficient resilience and capacity to absorb certain pressures.

Regarding performance, clear improvements had been achieved in the first few months, as indicated in the table. There was a clear need for customer satisfaction, and quality of experience

In looking at governance arrangements, it was felt that the committee minutes were not widely distributed, and that the Head of Service should have been in post prior to the start of the service transformation.

No real evidence of any service inequity had been identified.

#### Lessons for future joint scrutiny of shared services (page 24 of report refers)

- it is a complex task
- financial side may be well developed – need to check that the service development is also well developed
- service level expectations should be clear to service users
- useful to look at two levels (joint expectations at 'higher' level' and the expectations of each district
- need to make sure costings are really well informed, robust and up to date

#### Questions following the presentation

- the terms of reference had been tight, in awareness of the fact that the shared service was being rolled out, and that this process would be the main focus of the scrutiny
- the scrutiny had not consulted the districts which were not part of the shared service, because it would not have been comparing 'like with like'
- the scrutiny had not looked at the fact that there were different bodies on the Worcestershire Hub, to on the Shared Service
- customer surveys had not been included as part of the scrutiny. The Head of Service (HOS) planned to monitor satisfaction, but had been held back by a busy workload
- overall, the scrutiny team felt the system was working well, as shown by the results
- it was clear that the housing associations supported the scheme
- the HOS pointed out that it was important to keep in mind what the



changes meant for the customer - it was only when the recession hit, in 2009, that the customer became aware that the district revenues & benefits services had been transformed to a shared service

- Cllr Adams was convinced that the three local authorities which formed the shared service would not have coped as well without it; something which the HOS passionately agreed with. He felt that the resulting bigger staff team meant pooled resources, and greater flexibility to deal with priority cases as well as peaks and troughs of demand
- the HOS commented that the onset of recession could not have come at a worse time for the service transformation, and pointed out that the impact of the recession affected comparisons made. (By contrast colleagues in Herefordshire had felt much less of an impact from the recession.)
- when asked what would he have done differently, the HOS suggested bolstering staff numbers – however, staff were only fully fledged after 12 months, and contractor staff were rare and expensive
- when asked about the perception that the authorities outside the shared service 'were doing fine', the HOS felt there was an element of truth in this – however, the shared service had achieved savings of £1.2 million, which included a loss of 27% of the workforce, and that without the increased demand brought by the recession, the shared service would be doing very well
- the HOS saw the three main drives to create the shared service as 'save money', 'increase resilience' and 'maintain or improve service'
- when the HOS was asked whether he felt the success of the shared service would have been possible without the Hub – he advised that this was a difficult question to answer. The Hub had been the catalyst for change, and he felt the interface was holding up 'pretty well', given the tough times and changes.

### 3. Information Review

#### Worcestershire Hub Governance

Rachel Hill – Head of Customer Services for the Worcestershire Hub Shared Service (HCS)

The HCS had been asked to clarify governance arrangements for the whole Worcestershire Hub. To talk through the arrangements, which were recognised as being complex, various information was circulated, including a presentation, structure charts and a bundle of information (as listed on page 1 of notes).

Forward to members not present

#### **Worcestershire Hub**

The Worcestershire Hub Board met fairly infrequently (once or twice a year). It did not have decision making powers, although it could make endorsements, which would then be taken back to the district councils. As the direction of the Hub developed, the Chief Executives and Leaders panel had become the natural reporting route, and more recently this was now used.

The Worcestershire Hub Joint Committee did not formally report to the Board, although it did have contact and there were also a number of common representatives.

#### **Worcestershire Hub Shared Service**

The Project Board (set up in late 2008 to establish the shared service) worked extremely well. It included officer and member representatives, and engaged other people relevant to specific projects.

A Management Board, of officers and members had been established in November 2009 (chaired by Cllr John Waring), which met every six weeks. The more flexible model of a management board had been chosen over a joint committee.

The establishment of the shared service led to changes in elements of the previous funding arrangements between the county council and the district councils.

At the time of the establishment of the South Worcestershire Shared Service Joint Committee, the only participating service was revenues and benefits. However, more services had since been added, and the nature of the Committee had evolved, becoming increasingly strategic.

A strategic group of officers had been providing various papers to the Chief Executives and Leaders' panel, which culminated into a business case.

Regarding the shared service, each local authority had delegated responsibilities to the Joint Committee. However for the wider Hub, there were no delegated responsibilities.

#### Main points from discussion

- there was a clear view from members that the governance arrangements were overly complex and layered. When asked, the HCS tended to agree, because although the original set-up may have been suited to the original operation, the service had since developed, especially with the addition of the shared service
- members suggested that as the Joint Committee appeared to work well, that a simpler solution could be to include in its membership someone from the shared service – this would then remove the need for a Shared Services Management Board, and remove a level of complexity from the governance arrangements
- there was surprise that the Hub Board did not meet very often – however the HCS advised that she reported to the Joint Committee on a regular basis, and that there were clear routes to look at issues from the districts
- members felt it important for them to know which of the forums were responsible for which decisions, for example which forum would respond to adverse performance? From the current arrangements, they did not feel able to pinpoint where strategic decisions were taken, and where operational decisions were taken
- members discussed the fact that some councils only had one hub contact number (Malvern), whereas others had several (shared service) – the HCS advised that the decision had been taken to have specific service numbers as this allowed better focus on getting the right people to answer calls
- there were customer service centres in all the county's main towns, so that visitor access was equal across the county
- the HCS was sure that the district councils which did not form part of the revenues and benefits shared service would have experienced similar increased demand, which they would have handled in a different way. For example, she was aware that that the revenues and benefits service at Redditch BC had struggled
- whilst accepting the unprecedented impact of the recession on

revenues and benefits call volumes, some members asked whether there had been a lack of preparedness? How quickly were the changes in performance information as a result of the recession acted on, and why had this not triggered earlier action? The HCS confirmed that the Hub team had been working to address the issues, but did not believe that anyone could have foreseen the recession. More staff had been recruited as soon as possible, and earlier than planned as part of the 2006 business case. However, it had not been possible to hire staff in May because of a recruitment freeze which had been advised by Human Resources, in order to minimise staff redundancies as the shared service was formed

- members asked when they would be given more performance information which had been previously requested, specifically broken down for each district. The HCS advised that district Hub managers would be able to provide information on call handling – however she was unsure this would tell members what they were looking for, and that it may be a deeper question than looking at figures

The HCS advised that she was able to provide information regarding the County Council's funding contribution. For the shared service, funding was set out in the service agreement and original business case (and legal agreement). Subsequently, in 2008, a proposal was presented to the Chief Executives and Leaders panel to realign funding, to reduce some of the funding from Worcestershire County Council to the Districts to enable the County to fund the telephony centre, with effect from April 2009

Hub staffing had increased through the year. However in the main these formed part of the original plan and budget, and the operation was still within budget for staffing over the course of the year.

It was agreed that it may be helpful to have a task group on session on hub performance

Agenda  
planning

#### Information requested

- funding information, for both the county and district contributions
- breakdown of calls for each district including response times, average call handling times, volumes for each service area, abandoned calls (broken down for services where known?)
- details of which Council was using the Hub for what services
- copies of minutes for bodies referred to (Joint Committee, Worcestershire Hub Board, Strategic Management Group, Operational Management Group, Chief Executives & Leaders Panel?)

RH /  
Scrutiny  
offs

#### **Hub Visit Reports**

Members provided verbal feedback on their visits to various customer contact centres, using the completed feedback forms of which everyone had been provided with copies. The remaining visit feedback forms would be added to the evidence base.

A summary of all points is attached for the Task Group.

Members discussed the variation in opening hours and in the out of hours advice/provision from the different hub centres. The shared service was open until 8pm, whereas many of the other centres closed at 5pm. It was suggested

that for those which didn't, it would be helpful to use an answer phone message which suggested alternative contacts.

4. **Next steps**

The next task group meeting was Wednesday 14 April, 10.30am, at County Hall. This would include taking forward the 'mind map' exercise.

EJ/JW to progress

The meeting ended at 4.35 pm

## WORCESTERSHIRE HUB SCRUTINY TASK GROUP

**Wednesday 14 April 2010, 10.30am**  
 County Hall, Worcester

### AGENDA

	<b>Page No</b>
1. <b>Welcome and Introductions</b>	
- Membership Update	-
- Declarations of Interest	
2. <b>Library Service</b>	
<i>Overview of its work with the Hub, and the outcomes.</i>	
<i>Question and answer session</i>	-
<i>Kathy Kirk</i> Interim Head of Culture and Community Service / Strategic Libraries and Learning Manager	
<i>Steve Mobley</i> Quality and Standards Manager	
3. <b>Planning the scrutiny</b>	
- Using the previous mind map exercise	Table to follow
4. <b>Performance Information</b>	
<i>Rachel Hill</i> Head of Customer Service, Worcestershire Hub Shared Service	Available at the meeting
5. <b>Next Steps</b>	
- District Visits	District visit schedule attached
- New meeting dates	

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**If you have any queries about this Agenda please contact  
 Emma James or Jo Weston, Overview and Scrutiny Officers,  
 Legal and Democratic Services, County Hall, Worcester  
 Telephone: 01905 766627 or email [scrutiny@worcestershire.gov.uk](mailto:scrutiny@worcestershire.gov.uk)**

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## Membership of the Worcestershire Hub Scrutiny Task Group

### County Council Members

Bob Banks (Chair)	Wychavon – Evesham South
Nathan Desmond	Wyre Forest – St Marys
Lucy Hodgson	Worcester - Nunnery
Beverley Nielson	Malvern Hills – Malvern Trinity
Stephen Peters	Bromsgrove - Wythall
David Thain	Redditch – Redditch North

### Co-opted District Council Members

Laurie Evans	Wychavon District Council
Graham Ballinger	Wyre Forest District Council
Jinny Pearce	Redditch Borough Council
Roger Sutton	Malvern Hills District Council
Kit Taylor	Bromsgrove District Council
Geoff Williams	Worcester City Council

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Please check in at reception and ask for 2 tokens so that you can exit the car parks later, and leave your vehicle details. You will then be directed to the room.

A location map and directions can be found via this link:

<http://worcestershire.whub.org.uk/cms/system-pages/get-in-touch/directions.aspx>

## WORCESTERSHIRE HUB SCRUTINY TASK GROUP

**Wednesday 26 May 2010, 10.30am**  
 County Hall, Worcester

### AGENDA

	<b>Page No</b>
1. <b>Welcome and Introductions</b>	
- Membership Update	-
- Declarations of Interest	
2. <b>Performance</b>	
<a href="#"><u>Rachel Hill, Head of the Worcestershire Hub</u></a>	P1
3. <b>Finance</b>	
<a href="#"><u>Nick Hughes, Principal Finance Officer for Corporate Services</u></a>	P22
<a href="#"><u>Appendix 1</u></a>	
4. <b><a href="#"><u>District Council Perspective</u></a></b>	P27
<u>12 noon</u>	
<u>Malvern Hills District Council</u> (Ivor Pumfrey, Head of Customer and Environmental Services)	
and	
<u>Worcester City Council</u> (David Thorpe, Head of eGovernment and Customer Services and Malcolm Cox, Service Manager for Refuse and Recycling)	
*****	
The following sub-group visits are also scheduled:	
Wyre Forest District Council (25 May, Cllrs Ballinger, Hodgson, Pearce, Peters and Sutton)	
Redditch Borough Council and Bromsgrove District Council (7 June, Cllrs Evans, Hodgson, Peters and Sutton)	
5. <b>Future meeting dates:</b>	
<u>Thursday 1 July, 2pm - Worcestershire Hub and Future Development, including the Regulatory Service</u>	-

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 Legal and Democratic Services, County Hall, Worcester  
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Lucy Hodgson	Worcester - Nunnery
Stephen Peters	Bromsgrove - Wythall
David Thain	Redditch – Redditch North
Liz Tucker	Wychavon - Pershore

### **Co-opted District Council Members**

Laurie Evans	Wychavon District Council
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Roger Sutton	Malvern Hills District Council
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REDDITCH BOROUGH COUNCIL**EXECUTIVE  
COMMITTEE**

16th June 2010

**BUSINESS CENTRES - REVIEW**

Relevant Portfolio Holder	Councillor Jinny Pearce, Portfolio Holder for Planning, Regeneration, Economic Development and Transport.
Relevant Head of Service	Ruth Bamford
Key Decision	
Appendix 4 to this report contains exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, as amended	

**1. SUMMARY OF PROPOSALS**

A review was undertaken to consider the performance of the business centres and to clarify their role and purpose, as reflected in the recommendations.

**2. RECOMMENDATIONS**

The Committee is asked to **RECOMMEND** that:

- 2.1 The Borough Council continues to own / lease and manage all three business centres.**
- 2.2 The aim of the business centres should be to provide accommodation and support to as many businesses as possible, having a mixture of maturities, that realises the Borough Council's wider objectives to boost enterprise and employment across the borough as a whole. The business centres should be viewed as an economic development asset, contributing to the process of creating and supporting a prosperous community.**
- 2.3 In the first instance Officers shall be instructed to improve occupancy and business support, with regard to helping start, grow, retain and attract businesses. Appendix 5 outlines the matters which Officers shall consider in this respect.**
- 2.4 Officers shall be instructed to investigate how the business centres' expenditure can be reduced and income better maximised. Appendix 5 outlines the matters which Officers shall consider in this respect.**
- 2.5 The Business Centres' Manager and Head of Service with the portfolio holder be given revised and extra delegated powers so that occupancy**

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16th June 2010

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and performance can be improved. Appendix 6 details the existing and proposed new scheme of delegation.

- 2.6 The above recommendations be reviewed in three years as key factors may have changed in that time – or earlier if urgent matters arise which need examining or changing.**

**3. BACKGROUND**

- 3.1 The business centres referred to in this report are described in appendices 1, 3 and 4 and consist of the three centres. Appendix 1 describes the business centres and services offered. Appendix 3 details the business centres' performance in terms of occupancy and customer satisfaction and characteristics of licensees. Appendix 4 summarises the current and recent financial performance and details of asset holdings. As a point of comparison, Appendix 2 summarises the accommodation and services at private business centres operating on similar terms in Redditch.
- 3.2 A key deliverable in Legal, Democratic, Property and Audit Services' 2009/10 Service Plan is to 'manage the Council's assets effectively', with a related action to review the business centres. The centres are also a useful economic development tool and, as they will be included in Economic Development's remit following the Shared Service restructuring, the review was led by Economic Development Officers.
- 3.3 Economic Development is the process in which economic wealth and wellbeing is improved. Increased prosperity can be affected by – and affect – growth, productivity, efficiency, income and job availability. The economy can be strengthened by the delivery of services to support the creation, growth and survival of businesses. As such, priorities in The Redditch Economic Development Strategy include: supporting starter and young businesses; encouraging businesses to move to and stay in Redditch; and establishing and maintaining a reputation as a 'business-friendly Council'.
- 3.4 Whilst originally established to support new businesses, firms of all ages and types now operate in the centres (see appendices 1 and 3). As such the purpose of the centres needs to be re-visited and clearly defined, taking into consideration asset management and economic development priorities as well as the current economic climate.
- 3.5 On average, the centres are currently operating at a 65% occupancy level (see appendix 3). Although the 2009/10 budget projected a £41,560 surplus, a £11,395 deficit resulted – in part due to higher than anticipated

**REDDITCH BOROUGH COUNCIL****EXECUTIVE  
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void levels (see appendix 4). To improve the financial situation while assisting as many businesses as possible, initiatives are needed to improve occupancy and performance. Enhanced delegated powers would allow the Business Centres Manager flexibility to react to the market more quickly and instigate such initiatives.

**4. KEY ISSUES****4.1 Continued ownership / lease**

- a) The centres were originally intended to offer new businesses accommodation and support, thus filling a gap in the local market. The short notice license terms were to assist firms in times of economic difficulties – although these terms are now standard across most business centres. As a starting point the review considered whether the original gap in market provision still existed.
- b) The two private business centres operating on similar terms in Redditch are detailed in Appendix 2. The Imex Business Centre offers office and industrial accommodation, while the Edward Street Business Centre offers office accommodation. Comparing the offer, there is still a role, and need, for the Borough Council's centres in terms of serviced accommodation and business development support.
- c) With regard to office accommodation, the Borough Council's centres offer a wider size range than the Imex centre. Units can also be combined to offer a similar top end size to the Edward Street centre. The Rubicon and Heming Road centres offer smaller workshops and industrial units than are available at the Imex – suiting different markets and filling a gap in market provision for new and young small businesses. The Borough Council's centres offer secretarial services which are not available at the Imex centre.
- d) Annual surveys show that licensees are satisfied with the business centres and believe a good service is provided. Licensees that left during 2009 did not do so due to dissatisfaction with the centres (see appendix 3). Most either ceased trading; or had outgrown the centre and bought larger commercial premises; or downsized to work from home due to the economic downturn. New licensees continue to move into the centres.
- e) However, the centres have not been operating at full capacity in recent years and generate little or no budget surplus. The suggestion of rationalisation to reduce excess capacity and budgetary pressure was

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considered but rejected on grounds of practicality, negative publicity and cost.

- f) Consolidating existing licensees into two centres rather than three would be impractical. It would not be possible to accommodate current licensees in just two of the existing centres, given the varied business activities and facilities required. For example, there is not enough space to accommodate Rubicon licensees in Greenlands and Heming Road, or vice versa. Also displacing any businesses could result in negative publicity and relations with licensees could deteriorate, particularly if they incurred relocation costs. It is hoped the demand for units will improve as overall economic activity increases. It is therefore sensible to retain capacity for when demand improves in order that the borough can support growth and boost the economy. In the interim, initiatives are required to increase occupancy.
- g) Critically, the cost of rationalisation is prohibitive. A full asset disposal analysis has not been conducted, but estimated headline figures for this option have been considered (see appendix 4). As illustrated in the appendix, financially it would be better to continue to operate three centres and absorb an actual budget deficit each year than to exit the centres. It is believed that in the current economic climate it would also be difficult to find a private company to buy a centre or take over a lease. Therefore it does not appear financially viable to dispose of these assets.
- h) As rationalisation is not an option, the question of whether resources and budget would be better spent on more direct help for business – rather than funding the business centres – was not considered.
- i) Some Councils contract the management of their business centres to a trust. However such a move should not be viewed as a cost-cutting option. In many examples in which trusts assume the overseeing of an asset, the governing Council pays a management fee and the trust take a percentage of the income generated once it exceeds a specified level. Trusts then have an incentive to improve efficiency and income levels. However this option still involves costs and only a limited income for the Council. It is believed that, at present, interest from trust operators would be limited by the small scale of operations and low profit levels.
- j) The likelihood of this option being suitable was too low to justify the cost of employing consultants to fully analyse the case for transferring ownership or management to a trust. It may, however, be worthwhile to re-examine trust or private management options in any future review.

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4.2 Aim of the business centres

- a) The business centres were originally intended to give support to new businesses, although firms of all ages currently occupy units (see appendix 3). This review recommends that a more appropriate aim for the centres is to support any business in an expansionary phase.
- b) Young businesses benefit from the centres' accommodation and secretarial services. If the centres' policy was to only accommodate and assist start-ups, each licensee would be required to move on after one year – because they would no longer be 'start-ups' according to the technical definition – to provide space for new licensees so the policy is consistent. Yet the constant and high level of demand necessary from new businesses to maintain a reasonable occupancy level under this policy is unrealistic. In recent years there has been insufficient demand from start-up businesses to fill existing available units, whilst larger units, designed for companies to expand into, may be difficult to let to new firms. Furthermore, displacing current licensees to instigate this policy would result in negative publicity.
- c) Furthermore, there are several benefits to having licensees of various ages. For example, established businesses can act as anchor tenants. They tend to occupy larger units for long periods, providing a steady and more reliable revenue stream. There is continued demand for units from businesses of all ages.
- d) Moreover, firms need support throughout the business maturity cycle. For example, firms are vulnerable during expansion when there is an interval between expenditure on working capital and a resultant increase in revenue. Office of National Statistics data on business demography supports the assertion that young, growing businesses are more vulnerable than start-ups. The annual failure rate in Redditch is worst in year three. In contrast, less than 6% of new Redditch businesses on average fail in the first year (2003-2007). This may suggest that businesses are given sufficient financial and other support during their first year in order to ensure survival, but that, once established and therefore considered to be secure, support for businesses in subsequent years can dwindle. An emphasis on instating new businesses can be to the detriment of all other businesses at different stages in their lifecycles. Support therefore needs to be available and forthcoming not only in the first year of operation, but more crucially in every year of operation.

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- e) A firm's decision to stay in a location or move may be affected by costs, premises, customer and supplier base. While some of these factors are beyond the Borough Council's control there are ways in which the centres' wide offer and supportive environment can aid efforts to retain businesses in Redditch. The units can act as a stepping stone for businesses expanding or contracting in size. Licensees can have close contact with Economic Development Officers who can, for example, help with property searches and raise awareness of financial assistance and business support organisations.
- f) Greenlands could have a role in attracting business to Redditch. For example, inward investment enquirers could be offered a unit within the centre on a short-term license to use as a project office. An Economic Development Officer could be assigned to help them investigate relocation options.
- g) This review therefore proposes the centres' remit be formally expanded to recognise that all businesses in an expansionary phase are eligible for, and may need, accommodation, secretarial and business development support.
- h) The Borough Council can help to "start – grow – retain – attract" businesses if the aim of the centres is "to provide accommodation and support to as many businesses as possible having a mixture of maturities that realises the Borough Council's wider objectives to boost enterprise and employment across the borough as a whole".
- i) Operating the centres this way would contribute to the Borough Council's priority of developing and maintaining an 'enterprising community' as well as its Economic Development work 'to encourage a thriving local economy with diverse successful businesses'.

**4.3 Improving occupancy and business support**

- a) In recent years – perhaps reflecting the economic downturn – void levels at all three centres have been steadily increasing towards the current 35% level (see appendix 3). Void levels have a direct impact on income but also affect the centres' vibrancy and appeal to prospective tenants.
- b) As such, initiatives are required to boost occupancy. This includes ensuring the offer is attractive to existing and potential tenants – in terms of services, support and accommodation – with incentives to become and remain a tenant. The offer must appeal to a wide range of businesses, reflecting the centres' role in helping start, grow and retain Redditch businesses and

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attract firms to Redditch. Appendix 5 outlines the matters which Officers will consider in this respect.

4.4 Improving the income-expenditure balance

- a) Financial data is given in appendix 4. Apart from 2007/08 when a profit of £24,018 was made, in recent years the centres have tended to be in deficit. In 2008/09 and 2009/10 surpluses of £12,900 and £41,560 were projected, but deficits of £9,124 and £11,395 resulted, respectively. In both years income was less than anticipated, while in 2008/09 expenditure was also more than expected.
- b) The resulting variance between budget projections and actuals was £22,024 and £52,402 respectively. This should however be viewed as the Borough Council in effect investing £74,979 in business support over these two financial years, thus having an intrinsic value to the Borough Council in terms of financing economic development and the business community.
- c) Initially work should aim to both (a) trend the variance towards zero or a positive figure (actuals equal to or greater than the budget projection); and (b) generate an actuals surplus. Any surplus could be used as re-investment income. Alternatively, it could be held in a separate reserve to support the centres during downturns in the economy and occupancy. In this way the centres could become self-financing over the course of a business cycle. Another possibility would be that the surplus could be re-invested in business support activities.
- d) Finance Officers have confirmed such a reserve could technically be established, with Members' approval. However the reserve would have to be used to meet deficits. Difficulties would arise should there be a situation where the business centres were making continuous deficits. In the current climate – even using pessimistic occupancy projections and setting the budget to help achieve a positive variance – this option may not be easily implemented. It should however be considered when this review is revisited in three years.
- e) The void levels used when setting the budget were overly optimistic given occupancy patterns in recent years. Although in both years the assumed void levels took into consideration the difficulties in the economy, the impact of the downturn was worse than expected. A more cautious bias would be appropriate in the future.

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- f) Although the recharges have to be met somewhere, calculations are indicative of their impact on the performance of the centres. In 2008/09 for example, if recharges alone are removed from the equation, the centres could have been in surplus by £14,426, instead of a deficit of £9,124.
- g) Examination of the centres' standalone position – of income compared with the direct costs attributable to that income only – illustrates that the centres effectively make a significant contribution to the Borough Council. Without central services recharges and depreciation costs, the centres could have made a large surplus in 2006/07 and 2007/08 (£85, 216 and £109,880 respectively). Even during the economic downturn, a surplus could have been generated (£42,925 in 2008/09 and £39,204 in 2009/10).
- h) Income-expenditure patterns for each centre show Greenlands and Heming Road have a reasonable – although decreasing – gap between income and expenditure. At Rubicon, however, expenditure has consistently exceeded income; a major factor being the rent. Income projections suggest that while an overall surplus would have been possible if all units were in theory let, Rubicon would still be just in deficit.
- i) A review of the Council's continued lease of Rubicon and viable alternatives should be considered as a matter of policy at least one year before the lease ends. Options may include negotiating a new lease; relinquishing the building and accepting the cost of re-instating it to its original state at lease end; then finding new premises or closing the centre altogether. Sufficient time should be allowed to investigate options properly. If the centre closed or moved, tenants would appreciate more than the standard one-month notice to find and fund any relocation.
- j) Looking at the balance sheet in isolation may suggest the centres use significant resources for seemingly little return. However a large number of businesses are supported. The strategic benefits in terms of economic development and enterprising community priorities should be considered alongside the accounts.
- k) Appendix 5 details the matters on which Officers will work to improve income, notably rent, service fee and room hire income. Options to reduce expenditure are limited. As noted above, it is less costly in the long term to continue operating the three centres – and if necessary absorbing an actual budget deficit each year – than try to exit the centres.



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4.5 Extra delegated powers

- a) Under the Shared Services restructure, the Business Centres' Manager will be overseen by the Head of Service for Planning and Regeneration. Continued technical assistance is required from Property, Legal and Financial Services, for example advising on rent reviews.
- b) Currently, the Business Centres' Manager only has discretion to offer a rent-free period of up to three months for new lettings. Anecdotal evidence suggests some enquirers have taken units at a competing centre as, although license fees in the business centres were at comparable market rates, the other centre was more flexible on terms and incentives. It is a buyer's market at present, with several business centres locally competing for the same few business opportunities.
- c) During Economic Advisory Panel meetings, it was proposed that the Business Centres Manager – referring to the Head of Service – would benefit from greater autonomy and flexibility to react to the market more quickly and negotiate to win business.
- d) Details of the existing scheme of delegation and proposed revisions are outlined in Appendix 6. One key change is the authority to negotiate offers and react to the market more readily. Another is to delegate authority for changing rents and fees to Head of Service and Executive Director rather than Executive Committee, as currently, to enable a faster reaction to enquiries and market changes.

4.6 Review the recommendations in three years

The recommendations reflect the current operating position, economic climate and businesses' needs. Revisiting the review in three years will allow consideration of any changed circumstances affecting these issues. The recommendation acknowledges that Officers will address urgent matters which may occur in the interim.

**5. FINANCIAL IMPLICATIONS**

None identified. It is envisaged that the recommendations would improve the financial standing of the centres.

**6. LEGAL IMPLICATIONS**

None identified.

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**7. POLICY IMPLICATIONS**

There is a suggested alteration in relation to delegations to Officers as discussed in this report. Furthermore this report clarifies the role and purpose of the business centres.

**8. COUNCIL OBJECTIVES**

The business centres – in terms of accommodation provided and services offered – can play an important role in supporting small businesses and contributing to the Borough Council's priority of encouraging an enterprising community.

**9. RISK MANAGEMENT INCLUDING HEALTH & SAFETY CONSIDERATIONS**

None identified.

**10. CUSTOMER IMPLICATIONS**

None identified.

**11. EQUALITIES AND DIVERSITY IMPLICATIONS**

None identified.

**12. VALUE FOR MONEY IMPLICATIONS, PROCUREMENT AND ASSET MANAGEMENT**

12.1 There is a risk that the business centres as assets will not be best utilised to advance the corporate priority of enterprise and the aims and objectives of the Economic Development Strategy.

12.2 Following the introduction of Shared Services and transfer of responsibility for the business centres to Economic Development, Economic Development Officers shall require continued support from Property Services, Finance and Legal Services in the management of the business centres. The nature and degree of this technical assistance is yet to be agreed.

**13. CLIMATE CHANGE, CARBON IMPLICATIONS AND BIODIVERSITY**

None identified.

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**14. HUMAN RESOURCES IMPLICATIONS**

None identified.

**15. GOVERNANCE/PERFORMANCE MANAGEMENT IMPLICATIONS**

Expanded performance monitoring criteria are suggested.

**16. COMMUNITY SAFETY IMPLICATIONS INCLUDING SECTION 17 OF  
CRIME AND DISORDER ACT 1998**

None identified.

**17. HEALTH INEQUALITIES IMPLICATIONS**

None identified.

**18. LESSONS LEARNT**

None identified.

**19. COMMUNITY AND STAKEHOLDER ENGAGEMENT**

Property Services, Finance, Legal and Internal Audit Officers, the Business Centres Manager and Economic Advisory Panels Members were consulted.

**20. OTHERS CONSULTED ON THE REPORT**

Portfolio Holder	Yes
Chief Executive	No
Executive Director (S151 Officer)	No
Executive Director – Leisure, Cultural, Environmental and Community Services	No
Executive Director – Planning & Regeneration, Regulatory and Housing Services	Yes
Director of Policy, Performance and Partnerships	No

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Head of Service	Yes
Head of Resources	Yes
Head of Legal, Equalities & Democratic Services	No
Corporate Procurement Team	No

**21. WARDS AFFECTED**

All Wards.

**22. APPENDICES**

- Appendix 1 - Description of business centres and services offered
- Appendix 2 - Summary of private business centres operating on similar terms in Redditch
- Appendix 3 - Performance (occupancy and customer satisfaction) and characteristics of licensees in Redditch Borough Council's business centres.
- Appendix 4 - Current and recent financial performance and details of asset holdings of Redditch Borough Council's business centres
- Appendix 5 - Further detail regarding Recommendations 3 and 4 – improving occupancy, business support and the income-expenditure balance
- Appendix 6 - Further detail regarding Recommendation 5 and increased delegated powers

**23. BACKGROUND PAPERS**

Legal, Democratic, Property and Audit Services' 2009/10 Service Plan  
 Redditch Economic Development Strategy 2009-2018  
 Council Constitution, Appendix C (revised and approved October 2007)  
 Internal Audit Report, November 2009  
 Office of National Statistics 2008 Business Demography data

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Asset Management General Suitability and Sufficiency Assessment, 2009  
Occupancy, customer survey and performance monitoring data  
(confidential)  
Financial accounts (confidential)

**24. KEY**

**AUTHOR OF REPORT**

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# **Executive Appendix 1**

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## **DESCRIPTION OF BUSINESS CENTRES AND SERVICES OFFERED**

The three business centres provide a mix of accommodation to meet the needs of a variety of small businesses.

### The Greenlands Business Centre, Studley Road

The building houses 35 unfurnished office units ranging in size from 108 sqft to 600 sqft (with some units interconnecting to create larger office space). Licensees include charities, IT consultants, mediators and recruitment companies.

### The Rubicon Business Centre, Broad Ground Road, Lakeside Industrial Estate

The building houses 18 unfurnished office units (150 to 300 sqft) and 23 workshops (280 to 590 sq ft) for commercial enterprises and for light industrial use. Licensees include a carpenter, locksmith, calibration services, disability products supplier, design and printer and office equipment supplier.

Greenlands and Rubicon Services include: manned reception, telephone answering and secretarial services. There is also a conference room and other meeting rooms available to licensees and external companies to hire.

### The Heming Road Enterprise Centre

The building has been divided into 31 units of 290 sqft or 428 sqft for warehouse, industrial or engineering use. Licensees include audio equipment manufacturers, grinding and tool making businesses. There is a shared roller door and side door access. There are no reception services but secretarial support is available from Greenlands or Rubicon.

All three centres have on-site parking, 24 hour access and a caretaking service.

### License fees and terms

Occupiers hold a license which can be terminated with 14 days notice. The flexibility allowed by the 'easy in – easy out' terms is attractive, particularly to new and growing businesses that may be hesitant about committing to long leases while their business is at a vulnerable stage. New businesses can move in quickly and inexpensively. Licensees can also move to larger or smaller units – or leave – without penalties or legal costs. The majority of similar business centres across the region have 14 or 28 day notice periods.

Fees are charged at market rates, they are not subsidised or discounted. License fees include: rent, VAT, water rates, communal lighting and heating. Licenses and fees are reviewed annually for all occupiers. Reception services, postal services, postal address services, secretarial support, telephone switchboard, dedicated answering services and meeting room hire are subject to extra charges.

# **Executive Appendix 1**

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Businesses are responsible for business rates, telephone bills, electricity within their own unit, furnishing their unit, and licensees must have public liability insurance.

A three month rent-free period may be offered with new lettings at the discretion of the Business Centres Manager. The policy is intended to effectively reduce a licensee's initial costs to help them afford necessary furniture or equipment. Rent-free periods are also useful negotiating tools when securing new business. Existing licensees can apply for a three month rent-free period when renting additional space or moving to a larger unit within the centre as these reallocations are viewed as new lettings. This offer is monitored carefully to prevent abuse of the system, but can help growing businesses trial an expansion without over-committing themselves.

The different size units allow licensees to move between units within the centres – subject to availability – as their business expands or contracts.

A maximum of three units are permitted per company. This mitigates the risk of several units being simultaneously unoccupied and the associated break in income if that business were to leave the centre.

### Staffing Resources

The centres employ 1 full-time and 6 part-time staff.



# **Executive Appendix 2**

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## **SUMMARY OF PRIVATE BUSINESS CENTRES OPERATING ON SIMILAR TERMS IN REDDITCH**

Several developments in Redditch include 'business centre' in their name but are stand-alone buildings or buildings comprising multiple office suites or industrial bays, operating conventional (longer-term) commercial lease terms and without business support services.

There are two private business centres within Redditch which operate similar short-notice license terms and similar fees to the Borough Council's centres. Available information indicates they are experiencing similar void levels.

The Ashtenne / Imex Business Centre (Oxleasow Road, East Moons Moat) offers serviced office and industrial accommodation for start-up businesses to established businesses on flexible terms. There are approximately 48 office units (75 sqft to 380 sqft) and 25 industrial and warehouse units (870 sqft to 18,000 sqft). Meeting rooms are available to hire.

The Edward Street Business Centre offers serviced office suites, from 125 sqft in size. Units can be combined to offer suites of up to 2200 sqft. Market research by the Business Centre Manager notes the license fee and terms are comparable with the Borough Council's centres. In contrast to the other centres, units at the Edward Street Business Centre are offered fully furnished.

Comparing services, the Imex reception is manned on a part-time basis only and no additional secretarial services are offered. The Edward Street centre offers secretarial services.



# Executive Appendix 3

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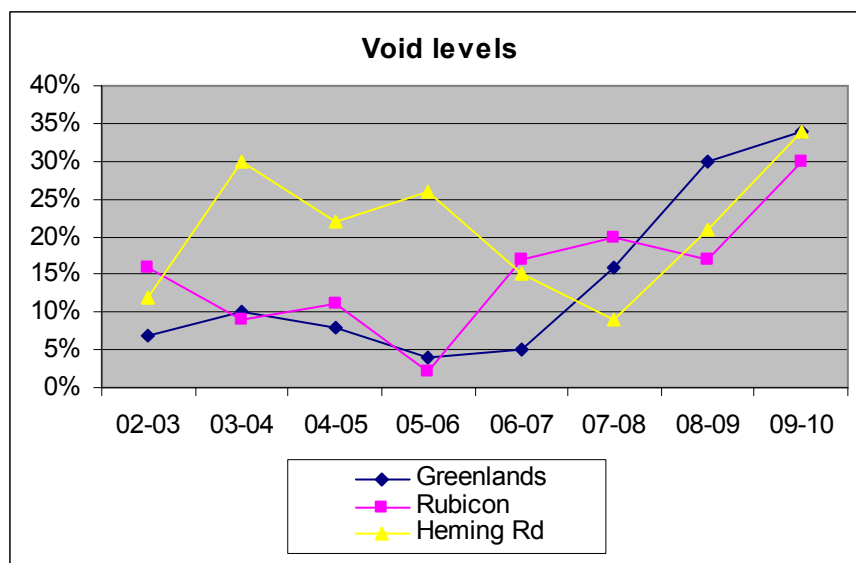
### PERFORMANCE (OCCUPANCY AND CUSTOMER SATISFACTION) AND CHARACTERISTICS OF LICENSEES IN REDDITCH BOROUGH COUNCIL'S BUSINESS CENTRES

Patterns of occupancy levels and characteristics of licensees are detailed below and results from annual customer satisfaction surveys are also summarised.

#### Void levels

The table below shows the void levels for 2001/02 onwards.

	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10
Greenlands	7%	7%	10%	8%	4%	5%	16%	30%	34%
Rubicon	7.5%	16%	9%	11%	2%	17%	20%	17%	33%
Heming Rd	23%	12%	30%	22%	26%	15%	9%	21%	39%



The demand for office and warehouse / light industrial accommodation has varied considerably in the last decade. There is a clear pattern at Greenlands Business Centre and the Rubicon Centre whereby void levels were low in the early part of the decade and have steadily increased since the economic downturn took hold. The fluctuating pattern at Heming Road is more difficult to explain, although voids in all three centres are trending to similar levels.

The number of enquiries about units has fallen in recent years – from 58 per annum in 2007/08 to 30 in 2009/10.

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### Characteristics of Licensees

Approximately 60% of new licensees are starting a business or have started a business from home and are moving to their first premises; the remainder are young and established businesses moving from other commercial premises.

### Average length of occupancy

Current licensees include start-ups through to businesses which have been trading for 10 years or more. The majority of licensees stay in the business centres for less than two years, although a significant number stay for more than six years.

Table: average length of stay of licensees between 1999 and 2009

	Up to 2yrs	2 - 6 yrs	6 - 9 yrs	10yrs+
Greenlands	146 (66%)	49 (22%)	21 (9%)	6 (3%)
Rubicon	154 (65%)	54 (23%)	17 (7%)	13 (5%)
Heming Road	46 (52%)	24 (27%)	5 (6%)	13 (15%)

Currently at Greenlands, 8 licensees have been at the centre for up to a year, while 6 companies have been at the centre for 10 years or more. At Rubicon, most current licensees have been at the centre for 2-4 years, although 5 companies have been at the centre for 10 years or more. At Heming Road, approximately half have been licensees for 2-4 years and half for 10 years or more.

### Reasons for leaving

Between January 2009 and January 2010, thirteen businesses left the centres. Of these, five closed down or went into liquidation, three moved to larger premises and one downsized by moving their office to home. Others moved to cheaper accommodation in the region or moved to different regions of the country (including Devon and Manchester). Eleven of the companies had been at the centres for between three months and four years, the rest were longer term licensees.

### Customer Satisfaction

The latest annual survey showed a high level of satisfaction towards the business centres. The majority of licensees rate the accommodation as 'very good value for money'. Licensees remark that they are pleased with reception services and that secretarial services are 'good value for money'. The provision of free parking spaces is also rated highly.

Complaints were raised about the time taken to resolve maintenance issues, and general security. A General Suitability and Sufficiency Assessment judged the three buildings to be 'adequate' in terms of quality and suitability. The report did note the Greenlands Business Centre needs new windows and all three centres require better

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security and CCTV. It may be necessary to submit capital bids via the energy saving budget or asset maintenance budgets in due course to resolve these issues.



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted





# Executive Appendix 5

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## FURTHER DETAIL REGARDING RECOMMENDATIONS 3 AND 4 – IMPROVE OCCUPANCY, BUSINESS SUPPORT AND THE INCOME-EXPENDITURE BALANCE

Officers are instructed to consider the matters below to enhance performance. Performance monitoring criteria and, where relevant, targets are suggested for each option.

### Instigate offers to attract new licensees

While more intensive marketing can help increase occupancy, ultimately financial incentives will be the main draw in attracting new licensees. Officers will investigate the ease of introducing the following offers and their financial and legal implications.

*Rent-free periods:* Three or six month rent-free periods could be offered to attract new tenants. In a similar offer at Bromsgrove's Basepoint, occupiers paid rates, lighting, heating and water bills. The centre had already ensured it could meet general running costs and staff salary bills from existing income, factoring in a percentage of units being empty. Essentially the running costs associated with the empty units were covered, but the 'extra' (income) part of the license fee was foregone. It is noted that many occupiers stay after a rent-free period – sometimes because of the premises and offer, sometimes due to inertia.

Other centres offer a six-month rent-free period on the condition a 12 month contract is signed. Such offers could be restricted to businesses which have been trading for less than four years – thereby supporting firms as they grow through the most vulnerable stages in the early lifecycle of the business. The number of units available offering a six month rent-free may need to be limited.

*Tiered rent* - to help start-up and young, growing businesses. Data shows that businesses are most vulnerable in their first four years of trading. Under this system, rents would effectively be subsidised for the first three or four years of occupancy, after which businesses would pay market rates. Established businesses already located in or moving to the centre would continue to pay market rates. For example, Stockton business centre offers those companies moving to the centre as their first commercial premises a discount of 20% in year one and 10% in year two. Companies moving from alternative commercial premises – already in operation and therefore viewed as established – are charged the year three (market) rate.

A decision on the definition of new or young business would be essential to this offer – for example, length of time trading or in commercial premises.

Offers could be conditional upon the business having a free review with a Business Link Advisor.

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*Furnished units let for short-term project offices.* Such units – for example used by inward investors assessing the area – would be more attractive if offered furnished, so firms can move in (subject to availability) at short notice.

*Furniture loans for start-up and young businesses* - to reduce the initial costs of setting up an office – and as a draw to potential licensees.

### Performance monitoring criteria

- **Investigate the feasibility and affordability of the above and make proposals for implementation within 12 months.**
  - **Rent-free periods and tiered rent:** The number of units available rent-free or the particular level of discount is not specified here, but Officers will investigate the financial and administrative viability of the offer and then outline the appropriate detail.
  - **Furnished units:** Officers will investigate the likely demand for such an offer and the practical implications, including cost of furnishing, having phone and internet connections ready at short notice and storing the furnishings when the units are not being used for project offices.
  - **Furniture loans:** Officers will investigate the demand for, and cost of, such an initiative.
  
- **If the above offers are implemented, targets for take-up of the offers would be set annually, depending on the number of vacant units.**
  
- **General occupancy:** Previously, occupancy targets have been set during the annual budget projection process and in individuals' performance review meetings. This review recommends a general occupancy target of 80% – in line with many other Council-owned business centres – be set, but with the prevailing economic conditions noted during monitoring.
- **New lettings:** Set target annually, dependent on current occupancy rates and general economic conditions.

### Improve the income-expenditure balance

Asset rental (depreciation), utilities, repair and maintenance and central services recharges are the considerable cost areas for the business centres. However it is unlikely that these could be reduced significantly. The focus therefore for improving the financial position is to increase income.

### Performance monitoring criteria:

- **Target: trend the variance between projected budget and actuals towards zero or a positive figure.**
- **Target: trend the actuals accounts towards zero or surplus.**

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### Maximise license fee income

License fees are reviewed annually. The Property Services Manager confirmed rent reviews consider operating costs and a baseline to cover overheads, market conditions and comparisons of competitors' rents. A rental element is then applied to give an overall licence fee for each size/category of unit. In 2008/09 the fees were increased by 4.95%. In 2009/10 the fees were not increased, due to the economic downturn. Fees were increased by 1.5% for 2010/11.

Fee levels need to remain at market levels to keep the centres attractive and competitive – particularly as supply is exceeding demand. There is however scope for increasing the charges for secretarial services (see below).

#### **Performance monitoring criteria:**

- **Verify rents are within market rates.**
- **Verify initiatives to increase occupancy through offers and marketing strategies ultimately have a positive impact on income.** Initiatives to increase occupancy should help increase income although the two variables can not always be improved at the same rate – for example with a tiered rent system. Rent-free period offers are only likely to bring more income in the first instance through new tenants' use of secretarial services.
- **Ensure annual rent changes have a positive impact on the income-expenditure balance.**
- **Ensure annual rent changes do not have a negative impact on occupancy rates.**

### Maximise income from meeting rooms by improving usage

In 2009/10 the meeting rooms were available for approximately 2000 hours per year. Rooms at Greenlands were used for 325 hours (of which 57.5 hours were by external organisations). Rooms at Rubicon were used for 215 hours (of which 156 hours were by external organisation). Total income – including hire and refreshment costs – was £6,637.

To increase usage and income, Economic Development Officers are already publicising the meeting rooms within Redditch Borough Council. Larger empty units are also being utilised as extra meeting rooms until new occupiers are found.

Officers will explore further options to increase usage. The meeting rooms could be offered to external organisations for innovative uses such as exhibition space, product launches, interview / assessment days or to hold training courses. General business support events – for example a procurement seminar or a jobs fair – could also be held at the centres. Such events could be open to businesses in the wider locality as well as tenants and could include networking time. This would also allow for informal promotion of the centres.

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Wifi internet access has recently been provided. Facilities now match those offered by other local business centres. The internet connectivity has already attracted more business.

### Performance monitoring criteria:

- **Verify charges are within market rates.**
- **Maintain a record of where external users heard about the facilities.**
- **Verify new offers and marketing strategies have a positive impact on usage.**
- **Verify any future facilities' upgrades have a positive impact on usage.**
- **Monitor customer satisfaction.**
- **Target: As a minimum, maintain usage levels. Aim to increase use by more companies more often, with annual target for number of hours used to be set annually, dependent on general economic conditions.**

### Increase income from reception and secretarial services

Service provision is an important part of the centres' offer. Annual surveys suggest the secretarial services are 'good value for money'. In 2009/10 they were used by 99% of Greenlands licensees and 96% of Rubicon licensees.

It is believed usage is high because it is both cheaper than employing a dedicated secretary and easier than licensees doing jobs like franking post themselves. As an example of the former - the gold phone service (phones answered with a personalised company-specific greeting and message taken if staff are out of the office) is charged at £2 per day.

It is appropriate to sell these services at market rates to established businesses that are more likely to be in a position to afford the set charges for service provision. The services are however particularly useful for sole traders and start-up businesses who cannot afford to employ a secretary. These businesses however may not find the services financially viable at the fixed market rates. Therefore the case for subsidising access for start-up and young businesses will be investigated with Finance Officers. The review recommends the Business Centres Manager has discretion to negotiate prices when approached about large and / or regular secretarial jobs.

Outsourcing secretarial services is not recommended. Staff undertake secretarial work alongside their reception duties, ensuring an effective use of staff time. Staff are familiar with licensees and their needs, resulting in good customer service and satisfaction. This in itself is a good selling point when marketing the centres' offer.

Some business centres offer selected secretarial services (for example photocopying) to the wider business community as well as tenants. Officers and the Business Centre Manager will investigate whether this would be manageable and profitable.

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### **Performance monitoring criteria:**

- **Verify charges are within market rates.**
- **Assess the scope for increasing charges – before January 2011 as charges are normally changed in March / April.**
- **Monitor the impact of fee increases on usage and income.**
- **Monitor customer satisfaction through annual survey.**
- **Target: at a minimum, maintain level of income generated from these services.**
- **Investigate the feasibility of offering secretarial services to external businesses.**

### Improve marketing to attract new licensees

The Business Centres Manager and Economic Development Officers will liaise more closely on the marketing strategy, assessing appropriate advertising mediums and target audience. Officers will continue to promote the units and meeting rooms internally and at external events including to other organisations and training providers which may be in contact with businesses.

The design and production of a more up-to-date and attention-grabbing brochure will be costed.

Information provided on the Borough Council website will be reviewed to ensure it is sufficiently informative and appealing. Officers will investigate (with IT Officers) the possibility of a dedicated website advertising the centres – such as [www.stocktonbusinesscentre.org](http://www.stocktonbusinesscentre.org).

### **Performance monitoring criteria:**

- **Clarify an appropriate marketing strategy and continue promotion.**
- **Investigate the cost of developing a new brochure and leaflet; implement design and production if feasible within budget allowances.**
- **Investigate time and cost factors in developing the existing or a new website; implement if feasible and appropriate.**
- **Continue to record details of where enquirers heard about the centres and use to ensure marketing strategy is appropriately focused.**

### Expand the business support offer for all licensees

The centres are well-placed to offer business development support, in addition to just accommodation. Business centres' staff can help raise awareness of the assistance available from the Borough Council's Economic Development Officers.

New and young businesses could be offered a 'support package' – involving a free review with a Business Link advisor, a place on a three-day business start-up course and information on other business development courses.

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In some centres, Economic Development Officers have a permanent presence or office. However there may not be enough requests for assistance from tenants of Redditch Borough Council's business centres to make the permanent presence of Economic Development Officers financially or logistically viable. Nonetheless tenants will continue to require support, therefore a more regular opportunity to seek advice and information when required would be welcomed and may be a more feasible alternative for the Borough Council. As such a small-scale free business advice surgery – with Economic Development Officers and a Business Link advisor – will be trialled.

An annual business support roadshow could take place with representatives of business support agencies and local training providers. Advice or specialised clinics could be provided on, for example: IT support, business planning, accessing finance, legal matters, accountancy or marketing.

Currently a directory of tenants is available in paper form, primarily for licensees. An online version would help tenants promote their services more widely. It may also be used by prospective tenants to assess the centre.

Inward investors using units as short term project offices would have a specific Economic Development Officer to assist them as required.

### **Performance monitoring criteria:**

- **Ensure all licensees are aware of the business support services available from the Borough Council; are kept informed of news and events; and are aware of how to contact Economic Development Officers.**
- **Organise a roadshow and business surgeries, with regularity dependent on demand.**
- **Ensure all enquiries are responded to within seven working days. (A target for number of businesses assisted is not appropriate as not all licensees may need assistance.)**
- **Monitor customer satisfaction through annual survey.**
- **Provide an online directory of licensees, giving licensees the opportunity to opt out.**
- **Name an Officer as dedicated liaison to assist inward investors letting units as project offices.**

# Executive Appendix 6

Committee

16th June 2010

## FURTHER DETAIL REGARDING RECOMMENDATION 5 AND INCREASED DELEGATED POWERS

The present Scheme of Delegation (in the Council's Constitution, appendix C) states:

### *Property Services – Business Centres*

*To manage and control the centres and all letting and licenses, to include the annual review of rents and service charges as appropriate and the setting of fees for secretarial services (provided the variation in fees / rents shall be limited to plus or minus 10% of the current year rent / fees unless first approved by the Executive Committee. (Property Services Manager - PSM)*

*To offer rent-free periods\* as an incentive at the start of a new letting, as necessary. (PSM)*

\* - A discretionary rent-free period of up to three months is currently available to new lettings. The Property Services Manager confirmed this includes licensees new to the centre as well as existing licensees renting additional space or moving to a smaller or larger unit (viewed as a new letting).

Following Shared Services and WETT, this review proposes the changes outlined below:

### ***To manage and control the centres.***

***To manage all letting and licenses, to include (a) the annual review of rents and service charges, (b) the setting of fees for secretarial services, (c) negotiation of offers to secure new tenants when occupation rates are low (provided the variation in fees / rents shall be limited to plus or minus 20% of the current year rent / fees unless first approved by Executive Committee).***

***To agree the offer of rent-free period as an incentive at the start of a new letting, judged on a case-by-case basis.***

***To agree a rent-free period or period of reduced rent for specific licensees in response to evidence of hardship – from time to time during their tenancy, judged on a case-by-case basis.***

***To agree a discounted rate for bulk orders of secretarial services, on a case-by-case basis.***

***(All: BCM / EDM / HoS and Economic Development portfolio holder)***

BCM – Business Centres Manager

EDM – Economic Development Manager

# **Executive Appendix 6**

## **Committee**

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16th June 2010

HoS – Head of Service

Any matters not covered by the Scheme of Delegation should be referred to the Head of Service and Portfolio Holder, and where appropriate to the Economic Advisory Panel (ECAP) and Executive Committee.





# Overview and Scrutiny Committee

Wednesday, 7th April, 2010

## MINUTES

### Present:

Councillor Phil Mould (Chair), and Councillors K Banks, G Chance, R King, W Norton and J Pearce

### Also Present:

Councillor C Gandy

### Officers:

J Staniland

### Committee Services Officer:

J Bayley and A Scarce

Relevant Extract from the meeting of the Overview and Scrutiny Committee on 7th April 2010 when the subject of the Work Programme Planning Event was discussed.

### **Minute 225: THE OVERVIEW AND SCRUTINY WORK PROGRAMME PLANNING EVENT 2010/11**

The Committee was advised that it should plan collectively for the Scrutiny Work Programme Planning Event and it would be helpful if Members could identify suitable dates as early as possible.

Members discussed the following potential topics that could be included on the agenda for the event:

#### a) The Budget Setting Process:

The Committee agreed that it might be useful to invite a senior Financial Services Officer to attend the event alongside members of the Executive Committee. A full and frank discussion could then be undertaken regarding ways in which the Overview and Scrutiny Committee could realistically contribute to the budget setting process in a constructive manner.

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Chair

# Overview and Scrutiny Committee

Wednesday, 7th April, 2010

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b) Communications

Members commented that it might be appropriate to invite an Officer from the Council's Communications Team to attend the event. This Officer could help to advise Members about ways to increase public awareness and engagement with the scrutiny process.

c) Portfolio Holder Annual Reports

To address one of the weaker elements of the scrutiny process identified in the committee's Annual Report it was noted that the subject of Portfolio holder Annual Reports could be discussed with members of the Executive Committee during the course of the event.

d) Topics for Scrutiny 2010/11

A primary aim of the event would be to discuss and identify topics that could potentially form the focus of policy review and development work during the course of the year.

Members also discussed scrutiny related training opportunities. They agreed that it would not be suitable to suggest this for inclusion on the event's agenda as it could elongate the process and distract attention from planning the Work Programme for the year. However, they agreed that, due to the minimal funding available to support individual Councillors' training requirement in house training events provided a greater opportunity for Members to attend.

The Committee felt that the final programme for the event should be agreed by the new membership of the Overview and Scrutiny Committee in the 2010/11 municipal year. They therefore concurred that their suggestions should be noted for consideration at the first meeting of the Committee in 2010/11.

**RESOLVED that**

- 1) the agenda for the Work Programme Planning event be considered in further detail at the meeting of the Overview and Scrutiny Committee on 2nd June 2010; and**
- 2) the report be noted.**



# Overview and Scrutiny

No Direct Ward Relevance

## Committee

2nd June 2010

### WORK PROGRAMME

(Report of the Chief Executive)

Date of Meeting	Subject Matter	Officer(s) Responsible for report
<b>ALL MEETINGS</b>	<b>REGULAR ITEMS</b>	<b>(CHIEF EXECUTIVE)</b>
	Minutes of previous meeting Consideration of the Forward Plan Consideration of Executive Committee key decisions Call-ins (if any) Pre-scrutiny (if any) Consideration of Overview and Scrutiny Actions List Referrals from Council or Executive Committee, etc. (if any) Task & Finish Groups - feedback Committee Work Programme	Chief Executive Chief Executive Chief Executive Chief Executive Chief Executive Chief Executive Chief Executive Chief Executive
	<b>REGULAR ITEMS</b> Quarterly Performance Report Quarterly Budget Monitoring Report Review of Service Plans 2010 / 13 Annual Update on the Implementation of the Civil Parking Enforcement Scheme	Chief Executive Chief Executive Relevant Lead Heads of Service Relevant Lead Heads of Service

# Overview and Scrutiny

Committee

2nd June 2010

	<p><b>REGULAR ITEMS</b></p> <p>Update on fly tipping and progress with the Worth It campaign</p> <p>Update on the work of the Crime and Disorder Scrutiny Panel.</p>	<p>Relevant Lead Heads of Service</p> <p>Relevant Lead Heads of Service</p>
	<p><b>REGULAR ITEMS</b></p> <p>Oral updates on the progress of:</p> <ol style="list-style-type: none"> <li>1. the Dial-A-Ride Task and Finish Group;</li> <li>2. the Local Strategic Partnership Task and Finish Group;</li> <li>3. Joint Worcestershire Hub Scrutiny; and</li> <li>4. Bus Pass Scheme County Provision.</li> </ol>	
<b>OTHER ITEMS - DATE FIXED</b>		
<b>2nd June 2010</b>	Business Centre Review – Pre-Scrutiny	Relevant Lead Head(s) of Service
<b>2nd June 2010</b>	Consideration of items for inclusion on the agenda of the Work Programme Planning Event	Relevant Lead Head(s) of Service
<b>2nd June 2010</b>	Making a Bigger Difference Through Scrutiny – Opening Training Session	David McGrath

# Overview and Scrutiny

Committee

2nd June 2010

<b>10th June 2010</b>	Training – Introduction to Scrutiny	Relevant Lead Head(s) of Service
<b>17th June 2010</b>	Crime and Disorder Scrutiny Training – all Members	Relevant Lead Head(s) of Service
<b>23rd June 2010</b>	Fees and Charges Task and Finish Group – Update on Implementation of the Charging Policy	Relevant Lead Head of Service
<b>23rd June 2010</b>	Performance Outturn Report	Relevant Lead Head of Service
<b>14th July 2010</b>	Disabled Facilities Grants and the Lifetime Grant – scrutiny of the Countywide Scheme	Relevant Lead Head of Service
<b>14th July 2010</b>	Council Flat Communal Cleaning Task and Finish Group – Monitoring Report	Relevant Lead Head of Service
<b>19th August 2010</b>	Neighbourhood Groups Task and Finish Group – Monitoring Report	Relevant Lead Head of Service
<b>19th August 2010</b>	Review of Ditches – Update Report	Relevant Lead Head of Service
<b>15th September 2010</b>	Quarterly Performance Monitoring Report – First Quarter	Relevant Lead Head of Service
<b>15th September 2010</b>	Sub Regional Choice Based Lettings – Pre-scrutiny	Relevant Lead Head of Service

# Overview and Scrutiny

Committee

2nd June 2010

<b>17th November 2010</b>	Update on fly tipping and progress with the Worth It campaign	Relevant Lead Head of Service
<b>8th December 2010</b>	Quarterly Performance Monitoring Report – Second Quarter	Relevant Lead Head of Service
<b>19th January 2011</b>	National Angling Museum Task and Finish Group – Update on Actions	Relevant Lead Head of Service
<b>19th January 2011</b>	Local Strategic Partnership – Final Report	Relevant Lead Head of Service
<b>9th February 2011</b>	Civil Parking Enforcement - Annual Monitoring Report	Relevant Lead Head of Service
<b>2nd March 2011</b>	Council Flat Communal Cleaning Task and Finish Group – Update on Implementation of Recommendations Stage Two.	Relevant Lead Head of Service
<b>23rd March 2011</b>	Youth Employment at Redditch Borough Council – Update Report	Relevant Lead Head of Service
<b>13th April 2011</b>	Update on fly tipping and progress with the Worth It campaign	Relevant Lead Head of Service
<b>June 2011</b>	Third Sector Task and Finish Group – Stage Two Update on Responses to the Group's Recommendations	Relevant Lead Head of Service
<b>OTHER ITEMS – DATE NOT FIXED</b>		

# Overview and Scrutiny

Committee

2nd June 2010

	Church Green Improvements Report – Pre-Scrutiny	Relevant Lead Head of Service
	Dial-a-Ride Task and Finish Review – Final Report	Relevant Lead Head of Service
	Local Area Agreement Review – Consideration of Scoping Document.	Relevant Lead Head of Service
	Overview and Scrutiny Member Training on Pre-Scrutiny.	Relevant Lead Head of Service
	Private Sector Home Support Service – Pre-Scrutiny	Relevant Lead Head of Service
	Work Programme Planning Event 2010/11	Relevant Lead Head of Service

