

MINUTES OF A MEETING OF THE BUDGET SCRUTINY TASK GROUP - PUBLIC REALM

WEDNESDAY, 16TH SEPTEMBER, 2015

Councillors Present: Councillor Margaret Gordon in the Chair

**Cllr Jon Burke, Cllr Rick Muir and
Cllr Nick Sharman**

Apologies:

Officers in Attendance: Dr Penny Bevan (Director of Public Health), Mark Griffin (Head of Environment and Waste Strategy), Tom McCourt (Assistant Director - Public Realm) and Kim Wright (Corporate Director Health and Community Services)

Also in Attendance:

1 Election of Chair

- 1.1 Cllr Gordon was nominated to be Chair of the Public Realm Budget Scrutiny Task Group by a Member.
- 1.2 The nomination was seconded and Cllr Gordon was elected Chair.

2 Apologies for Absence

- 2.1 There were no apologies for absence.

3 Urgent Items / Order of Business

- 3.1 There were no urgent items and the order of business was as laid out.

4 Declarations of Interest

- 4.1 Cllr Adams declared that he was a leaseholder.

5 Terms of Reference

- 5.1 The Terms of Reference was noted.
- 5.2 The Chair noted that the discussions for this evening would be focused on Phase 1 of the programme, involving Members being provided information on and giving consideration to, approaches to budget savings for 2016/17.

6 Submission from the Public Realm Division

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- 6.1. The Chair introduced this item by explaining that the paper focused on the Public Realm Division of the Council and not other services outside of this which performed waste collection and cleaning functions for Hackney Homes. She advised that the Any Other Business Item of the agenda would focus on questions that Members may have had around cross cutting review work which encompassed all areas of Public Realm functions.
- 6.2 Tom McCourt, Assistant Director of the Public Realm Division, presented a paper, which was available in the agenda packs.
- 6.2. The substantive points made at this stage were that:
- The Division currently had a budget of around £47 million.
 - It brought an income to the Council of just over £27 million, predominantly from parking operations but also from other growth areas including commercial waste.
 - There were pressures on waste costs; every tonne of waste generated whether residual or for recycling brought a cost within the North London Waste Authority arrangements. Costs were expected to reach £7 million next year and would continue to rise.
 - There was also a challenge of recycling levels plateauing after some years of growth. This was an issue being repeated in other London boroughs, and the Council continued to explore how recycling by block properties could be increased to nearer the levels by street level properties.
 - Markets had been a major cost area for the Council; 4 or 5 years ago subsidy stood at £1.2 million. Changes since this point meant that at the end of 2015/16 would see the service break even.
 - Work in this area and others had meant that on an overall level since 2010, savings of 39% had been achieved within the Division.
 - With an assumed need for the Division to contribute to the estimated £60 million savings needed in forthcoming years, further options for savings were being explored for consideration by Members. Examples included the possibility of advertising on operations vehicles and revising fees and charges.
 - On a more fundamental level, the street cleansing model would be looked at. On this point however, it was evidenced that the operation worked well in Hackney and at relatively low cost. Considerations around scaling it back would need to include any detrimental impact that this could have in wider areas including inward investment, resident satisfaction and regeneration.
- 6.3. Moving onto questions, the Chair noted that the paper showed that 40% of the staff in Streetscene were revenue based and 60% non-revenue based. She asked what the split was in terms of duties.
- 6.4 Andrew Cunningham, Head of Streetscene advised that revenue based work included routine inspections and maintenance of roads, streets, bridges and road safety work. Fee earning work included capital works, TFL funded work, and work outside new developments funded by Section 106 money.

- 6.5 In response to a question around the extent to which the Council was making full use of technological advances in its environmental operations, the Assistant Director of Public Realm advised that his services did keep these under review. In terms of cleansing, the intelligent use of technology had meant that mechanical sweepers were generally used where it was practical, with hand sweepers deployed in areas where mechanical sweepers were not suitable or where they were shown to deliver wider benefits. Software enabled coverage be ensured, with mechanical sweepers covering 4.5 km each day (on both sides of the road). Other examples of technology included in Parking, where a system measured all elements of performance. It informed where resources could be allocated according to a dual consideration of the areas where parking issues were and which areas residents were concerned about.
- 6.6 In response to a question from the Chair as to whether the service did or could work with companies in Tech City to deliver innovative new products, the Assistant Director advised that in general new IT products that the Council required met value thresholds where the EU wide tendering process were triggered. They would therefore need to consider any interested providers.
- 6.7 In response to a question whether street lights were using LED bulbs the Head of Streetscene advised that at the point of the last capital renewal of streetlights, that this technology was not viable. Further advancements had meant that it now was, although the savings that using these could achieve would not outweigh the costs associated with replacing all bulbs. Usage of LED bulbs was increasing however, with street furniture in the borough using these.
- 6.8 In response to a question on recycling and around whether other Councils with similar characteristics had also seen a plateauing in levels, Mark Griffin, Head of Waste Strategy, advised that some had seen fluctuations, including drops. As inner London developed further and the share of street properties continued to fall, reporting stable levels as Hackney had done in recent years was positive (although increases were continually sought). The Borough had a target to reach 34.1% as a minimum by 2020, up from a current rate of around 23 or 24%. There were a number of measures being considered around how to achieve this which could be reported back to this group via the Cabinet Member.
- 6.9 In response to a question on bulky waste, and the Council's currently policy of free collections, the Assistant Director of Public Realm said that Members might want to consider different models. Options could include limiting the number of free collections or charging according to weight. However, consideration might also be given to any detrimental impact on levels of fly tipping that changes could bring a risk of.
- 6.10 Cllr Demirci, Cabinet Member for Neighbourhoods said that the Council was committed to further improve levels of recycling. She reiterated that the greatest challenge was around block properties and estates, and significant work had gone into piloting new approaches on 13 of these. What worked would be rolled out across the borough. These changes on estates would be coupled with measures already taken, including moving from a kerb side sorting arrangement to a comingled one. Further decisions would be needed on whether there was more to be done to drive up recycling levels among street

- properties further. This could potentially involve introducing allowance levels for residual waste.
- 6.11 Philip Glanville, Cabinet Member for Housing, added that he and the Cabinet Member for Neighbourhoods wanted Hackney to be the best in London for recycling on estates. £5 million had been allocated to the pilot that had been mentioned and a Project Manager put in place. He said that he would be pleased to report back further to the Task Group on this.
- 6.12 The Chair asked if there was a figure in mind as to what savings would be required for 2016/17 from the Division.
- 6.13 The Assistant Director advised that his services was trying to identify whether a further 10 or 11% could be added to the 39% already saved since 2010, without having a substantial effect on service levels. Plans would go through the corporate process and he would look forward to any opportunity to feed back to the Task Group further.
- 6.14 Elaborating on this point and further to a question from a Member as to why there was not a specific target for 2015/16 savings in the paper, Kim Wright, Director of Health and Community Services said that it had been the case in the past that targets had been set according to budget size, and had been proportionately the same for each area. However, this was now thought to be a rather crude approach, and one which did not in the most effective way tackle that vast challenge on savings that there was likely to be. Services were being asked to think as creatively as possible to produce a range of options for consideration. Wider thought was also being given as to whether some shares of Revenue Contributions to Capital Outlay and Community Infrastructure Levy money could feed into the £60 million requirement.
- 6.16 A Member noted that there would be discussions under the Any Other Business item around any movement towards bringing together waste and cleansing functions which currently sat separately in the Council and Hackney Homes. However, he wished to state at this point that he saw integration as vital, and that it should happen as soon as possible. Once the full Public Realm elements of the Council were fully integrated he felt that the services could be marketed as being available to housing providers and others, and that there was a duty to get this completed quickly.
- 6.15 In response to a question around the options that would be considered to deliver saving, it was confirmed that these would include looking at the scope for, and impact of, caps on residual waste allowances and reducing street cleansing activity.
- 6.16 Responding to a question around whether there were campaigns that aimed to achieve greater citizen responsibility, the Cabinet Member for Housing said that there were, and that behaviour change was being actively promoted. She said that a key challenge was around continuing to meet a high standard of cleansing and waste collection which had come to be expected by residents.
- 6.17 Bringing discussions on this item to a close, the Chair thanked the officers for the information. She said that discussions at later meetings should be focused

on a range of options for savings for 2016/17 in the Public Realm Division (as is) with details of the impact that each would be predicated to have.

7 Any Other Business

- 7.1 The Chair brought Members attention to two additional papers which had been provided in advance of the meeting. Both have been appended to these Minutes. These were:
- An update from Joanna Sumner (Assistant Chief Executive), giving some information on the cross cutting review of services falling in the wider area of Public Realm – not just relevant services of the Council but Hackney Homes as well. This cross cutting review would look at models for post the bringing in house of Hackney Homes, and potential savings for 2017 onwards.
 - An update from Hackney Homes' Estates Cleaning Improvement Board
- 7.2 Cllr Glanville opened the item by advising that the Public Realm Cross Cutting Review was looking at a range of services within the Council and Hackney Homes, including those managing parks, waste, cleansing and streetscene, The outcomes of this work would be expected to deliver savings from 2017 onwards.
- 7.3 This said, the Cabinet Member for Housing said that significant work had been done and more was planned to help secure improvements to Hackney Homes services prior to its transition into the Council. One example of work currently underway was the Estate Cleaning Improvement Project which Jim Patterson (Head of Building Maintenance and Estate Environment) would talk through shortly. There were others, and the Cabinet Member for Housing would welcome the opportunity to present to the Group at a later date on further details of these.
- 7.4 At this point, the Head of Building Maintenance and Estate Environment presented the project update to Members. The full update document has been appended to these Minutes. However, the substantive points made were that:
- This project had been established in a context of poor perceptions among residents as to cleansing services delivered by Hackney Homes.
 - The Project was looking at how various initiatives – the Decent Homes programme and others – could be better joined up to ensure that the overall effects of them could be better felt. An example was with painting programmes to be delivered to blocks at the same time as other improvement works.
 - There was work going on to identify the estates where cleaners did not have easy access to water, and to take action on this.
 - In terms of areas of cross over with services delivered by Hackney Homes and the Council, these included bulky waste collection, graffiti and flytipping removal, and grounds maintenance. Close work was being done with the Council on where and how these services could be aligned.

- 7.5 At this point the Cabinet Member for Neighbourhoods said that she had a clear aspiration for one standard of service across the borough in terms of cleansing and waste management on estates, parks, and streets. She said that she was very keen to work towards these services being managed as one overall function. By achieving full integration and realising the efficiencies which would be involved, the Council could in theory offer a strong and effective service to Registered Housing Providers and others. It was vital that services were joined up and improved.
- 7.6 A Member of the Group said that he agreed with this in full. He felt that there needed to be an immediate move to a fully integrated service. He said that he did not see the integration as being a substantial challenge and that there should be urgent movement on progressing it.
- 7.7 The Cabinet Member for Housing responded to this point by saying that substantial work had been done to both improve the services delivered by Hackney Homes on cleansing and waste, and to prepare for moves towards integration. He said that he would welcome the opportunity of presenting the task group with this information.
- 7.8 However, the Cabinet Member for Housing said that while there was a strong case for more and greater integration, that there were significant challenges to consider. Work needed to be carefully managed to ensure that improvements were delivered alongside it being ensured that there would not be upward pressures on residents' service charges as a result of changes. In addition, there were differences in the complexities of integrating waste and cleansing services which functioned on a road to entry door (of estate blocks) basis, compared to that of incorporating entry door to front door cleansing operations into a merged service.
- 7.9 Another consideration was that Tenant and Resident Management Organisations had full choice over the cleansing services they decided to procure.
- 7.10 The Cabinet Member for Housing remained of the view that while improvements to as is services should continue to be achieved, that it was prudent and sensible to carefully manage wider integration to ensure that it was done effectively with efficiencies and service improvements successfully delivered.
- 7.11 The Assistant Chief Executive added to this by saying that the Cross Cutting Programme was collating and analysing a wide range of information which to progress integration further to the transition of Hackney Homes into the Council. This was being done alongside work to secure immediate improvements.
- 7.12 In response to a question from a Member of the Task Group, both the Cabinet Member for Housing and the Cabinet Member for Neighbourhoods confirmed that there would need to be a fully integrated service for cleansing and waste achieved by the end of the current administration in 2018. The Cabinet Member for Neighbourhoods said that it should be achieved considerably before this given that she felt that it would deliver savings to help achieve the vast amounts

required, and in a way where residents would feel less detrimental impact of the reductions.

- 7.13 A Member reiterated his view that integration needed to be achieved quickly, and could be done in a faster manner than was currently planned. He suggested that a paper be submitted to the Task Group outlining a plan for the fastest adoption possible, an approach to overcoming challenges, and information on the savings that would be achieved from this.
- 7.14 Bringing the item to a close, the Chair advised that this meeting and any others planned over forthcoming weeks formed part of Phase 1 of the programme, which considered savings for 2016/17 and not beyond this. Phase 2 of the Programme in the New Year would then consider options for 2017/18 and beyond. This said however, and following the discussions, she felt that thought needed to be given as to how Members could be given opportunity to be assured around moves towards greater integration of Hackney Homes and Council Services. She said that she would give consideration as to how this should be managed.

8 Submission from the Leisure and Green Spaces Service

- 8.1 Ian Holland, Head of Leisure and Green Spaces, presented a paper, which was available in the agenda packs.
- 8.2 The substantive points made at this stage were that:
- The service incorporated:
 - Leisure with a budget of £1.51 million, the majority of which was allocated to the management fee for the management of Leisure Centres in the borough.
 - Parks, with a budget of £2.93 million, which was largely accounted for by staff costs.
 - Sports and Physical Activity with a budget of £290,000 to fund the delivery of a number of services enabling physical exercise.
 - The amounts above did not include the costs associated with some facilities which were currently corporately funded or paid for via reserves.
 - Significant pressures on the services included:
 - An explosion of usage of Parks as more residents wished to use the much improved green spaces of the borough. This was a huge positive but also brought pressures on already aging infrastructure in terms of paths and buildings.
 - In regards to London Fields in particular, the popularity of the site as a summer venue and an area to socialise in had brought challenges around increased summer cleansing cost and the need to greater enforcement. £310,000 had been allocated from the corporate budget to fund summer cleansing and enforcement, but the service needed to work towards funding this itself.
 - There were growing levels of anti-social behaviour in green spaces as they were increasingly used as party venues.

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- On grounds maintenance, there were demands for the service to use different methods of weed control than Glyphosate. However, this was a cheap and effective method compared to weeding by hand.
 - Increased use of Leisure facilities (Clissold Leisure Centre and London Fields Lido in particular) brought issues around capacity and the ability to continue providing a good service. This was coupled with a number of facilities being advanced in years (the Kings Hall and Britannia Leisure Centres). These issues went alongside (rightfully) expectations of increasing quality.
 - The high use of some facilities compared with a low usage of others (West Reservoir and Queensbridge Sports Centre)
 - Increasing costs of utilities
 - A significant amount of funding for sports and physical activity came from external sources, and was time limited.
- Since 2010 savings of 38% had been achieved from the Leisure area of the service, predominantly though renegotiations on the management fee for leisure facilities.
 - Parks and Green Spaces had delivered 24% savings, through a number of staff restructures but latterly more from income generating activities.
 - The service was confident that renegotiations on the Leisure contract would bring additional savings.
 - To answer the pressures for additional spending reductions, there were a number of potential options which Members might use the Task Groups to debate:
 - **The potential for further income generation from Parks.** This could include **greater advertising** and the raising of money from **ice cream** and other **catering concessions**.

Thought could also be given to the extent that **events in parks** (and outside of them) should be used as an income generator. The Service expected an income of £130,000 from this in 2015/16. The Hackney Half Marathon (£50,000) and funfares in parks (£45,000) were the biggest contributors. Haringey and Tower Hamlets reported income levels of around ten times this (although the caveat was that they had the very large venues of Finsbury Park and Victoria Park).

The lowest level of income from events in Parks came from community events, which also involved the majority of officer input. Consideration could be given to the viability of continuing support.

The Task Group could use a future meeting to explore their appetite to partly meet increasing financial challenges by catering for more large scale events. At present there was one 7,000 to 10,000 event in Haggerston Park.

Consideration could be given towards the appetite for more of these, alongside information on the income that would be likely to be gained.

It did need to be noted that only one venue – Hackney Marshes – was of a size that could cater for events of 50,000 – 100,000 people, and the Task Group might wish to give consideration to the potential benefits and disbenefits of accommodating requests for the delivery of events of this size.

- **Possibilities for higher amounts of sponsorship**

Adidas had paid £30,000 to the Hackney Marshes Centre for 1 month. An exploration could be made as to any further opportunities.

- **Changes to locking and unlocking arrangements.**

Currently 50% of parks remained open at night (often due to them being common land).

- **Stopping seasonal bedding in parks.**

- **Less grass cutting**

At present cutting was done 20-22 times per year. This was reflected in the attractiveness of parks. However, a number of other Councils were doing 14-16 cuts.

- **Licensing more services currently delivered in Parks privately**

This could include fitness classes and professional dog walkers.

- 8.3 A Member of the Task Group noted that the paper did not give figures on the savings required. He said that while it appeared that more events could help meet saving requirements, that he would like more information on the impact that these would have. He asked where the majority of savings would be likely to come from for 2016/17.
- 8.4 The Head of Leisure and Green Spaces said that the majority of any savings achieved for 2016/17 were likely to come from renegotiating the Leisure Contract. Generally, any savings in addition to this would either need to come from savings on staff (which accounted for 78% of the overall service) with a resulting impact on quality, or from increased income generation. In addition to the general pressure to find savings, the Service needed to find a way of funding the summer cleansing and enforcement activity in London Fields which had been temporarily funded corporately.
- 8.5 In response to a question on how a reduction in subsidy per Leisure visit had been achieved, the Head of Leisure and Green Spaces said that this had been through increased general usage and renegotiations on the leisure contract.
- 8.6 It was celebrated by a Member that the Leisure and Green Spaces Service had been brought together with the Public Health function. He went onto ask whether, with funding for the Council falling, whether there could be an end result of some private leisure providers in the borough catering for the affluent while the offer for other sections of the population lessened. He asked if greater means testing for Council owned facilities could be introduced to help continue provision for all.

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- 8.7 The Head of Leisure and Green Spaces said that he did not foresee the leisure offer for all residents reducing. The renegotiation of the contract would not result impact on levels of provision. The Mayor's Manifesto committed the Council to expanding provision. Steps already taken as a result of this had been lighting in London Fields activity area. Further areas for improvement were being explored. Means testing was not currently being looked at, but there continued to be free centre usage for some residents, and NHS referrals also.
- 8.8 A Member said that in his view that, across a range of its services, the Council needed to make clear to residents the standards that it was able to deliver with the resources that it had. It then needed to invite and explore community offers of support. He was aware of work community groups did to improve their environments; examples were the Tree Musketeers and residents in the Dalston Square development who were now doing their own planting. He asked whether the Leisure and Green Spaces Service was using the capacity of community organisations and if there was room for it to do more.
- 8.9 The Head of Leisure and Green Spaces said that the service did use the community to make improvements. In terms of the Tree Musketeers, their commitment and knowledge was invaluable and the service was exploring how it could offer funding and support to enable them to maintain and plant more of the trees in parks. Allotments were now managed by the Allotment Association and this worked well.
- 8.10 A note of caution needed to be sounded however around the capacity of the community to fully answer the shortfalls in public funding. Initiatives in communities often worked really well and were driven by a motivated and engaged resident. However, upon the community champion no longer being able to commit, the Council often needed to step back in. Making these arrangements stable was a challenge. Also, while community champions provided a valuable and inspirational role, by necessity spaces they helped manage were often still reliant on Council Services such as grounds maintenance and waste collection.
- 8.11 The Cabinet Member for Housing added to this and said that while community run gardens worked very well, that there were still significant support costs involved.
- 8.12 The Chair thanked the Head of Leisure and Green Spaces for the presentation and for answering the questions asked so thoughtfully and comprehensively.

9 Date of next meeting

- 9.1 This item was used to discuss whether further meetings around the Phase 1 element of the programme were needed and, if they were, the focus that these should have.
- 9.2 Further to a discussion among Members, it was agreed that there should be two further meetings before the end of October.
- 9.3 The first meeting (provisionally suggested as the 5th October) should focus on the ideas for immediate savings for 2016/17 which had been mentioned in the meeting (advertising on refuse vehicles, sponsorship in parks, scope for and

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potential income from a range of events in parks etc.). These should be put forward with greater clarity about the amounts of savings they would be forecast to deliver and the level of impact that they would have. They should be provided in advance of the meeting for Members to consider.

- 9.4 Despite the cross cutting Public Realm Review being geared to achieve savings after 2015/16, Members also felt that this area warranted early focus. They asked that detailed proposals on cost savings expected from integration of services and a skeleton proposal for merging services was produced in time for a further meeting on the 21st October.

Duration of the meeting: 7.00 - 9.40 pm