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**Report to: Council**

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**Date of Meeting: 9<sup>th</sup> November 2017**

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**Subject: Consolidation of Forthbank and Kelliebank depots**

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**Report by: Head of Housing & Community Safety**

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### **1.0 Purpose**

- 1.1. To agree amendments to the budgets for depot consolidation and approved savings

### **2.0 Recommendations**

- 2.1. The Council is asked to agree:
- 2.1.1. To remove saving DAE 178 011 from this year's approved budget.
  - 2.1.2. That the £600K capital budget identified for the consolidation of depots is not required and should be released.
  - 2.1.3. That the Forthbank depot remains open.
  - 2.1.4. That a capital budget of £315K should be made available to fund necessary improvements at the Kelliebank and Forthbank depots, to be funded from savings on depot consolidation.
- 2.2. And to note that overspend on budget saving DAE 178 011 will be offset by cash savings made through disposal of Lime Tree House.

### **3.0 Budget Savings DAE 178 011**

- 3.1. Budget item DAE 178 011 attributed a saving of £155K this year, and £45K next year from staff costs associated with the consolidation of depots. As discussed below, savings were based on staffing changes in security, mailroom and stores.
- 3.2. This saving involved the closure of the Forthbank depot and the Ward Street equipment store, moving all operations to Kelliebank. Due to staffing changes and amendments to duties, responsibility for the implementation of this item transferred to the Head of Housing & Community Safety. Having held discussions with the staff involved and looked closely at the business case, it is considered that the full staffing savings cannot be achieved in the short term. Moreover, the actual saving (£51K) on rates, utilities and repairs from

closing Forthbank does not justify the capital expenditure, and offers no practical advantages, and many downsides which are covered in section 4.

- 3.3. £75k of the agreed saving was the replacement of three (from four) 24/7 security staff with remotely monitored CCTV. Following procurement and implementation, CCTV cameras become operational in September. All four staff were offered voluntary severance and two accepted, resulting in total savings of £31K. If redeployment opportunities can be identified the full budget saving for this function will be achieved in future years.
- 3.4. One 30 hour post in the Health and Social Care Partnership equipment stores has recently been vacated. The savings will be in the region of £9K. This leaves three staff in this area. There is an ongoing review of equipment stores and other accommodation across the HSC partnership area. If suitable alternatives can be identified there may be opportunities for savings in future years.
- 3.5. There is a pilot study ongoing looking at mailroom costs which has taken longer than originally expected for various reasons. When completed this will provide a better indication of the savings that may be realised in this area from staff and postage costs.
- 3.6. The cost of the operation of the social work store at Ward Street was also deleted from the budget from 1<sup>st</sup> April. This property is leased from a third party. The lease on this property will terminate on 1<sup>st</sup> December. Rental and service costs result in an overspend on this budget of £17K. There will however be a full saving on this budget in future years.
- 3.7. There may be some compensatory savings (up to £20K) on the actual running costs of Forthbank if last year's trend is followed but this will not be quantified until the year end.
- 3.8. However, the budget had also allowed the full year operational costs of Lime Tree House. The property was disposed of prior to the year end, resulting in an underspend of £93,210 which will offset the overspend.

#### **4.0 Capital Budget**

- 4.1. Capital programme item A55 provided for £600K of capital expenditure over two years to complete the consolidation of the depots. Detailed costs, site investigations, drawings etc., were not available at the time this budget was set. The major expenditure in this was the requirement to provide a 2000 tonne capacity salt barn at Kelliebank for the winter maintenance programme. This was estimated to cost up to £250K. Since then, site investigations have been completed which confirm that the ground consists of made up material over very soft clay, and so piling foundations will be required. No further work has been undertaken due the likelihood of incurring additional abortive costs on professional fees.
- 4.2. 19 operatives currently work out of Forthbank. They would require additional welfare facilities to be provided at Kelliebank – toilets, showers, drying room, lockers, canteen area etc. This would mean the new training / meeting area

in the recently completed extension would have to be given over to this use, along with other areas of an already near full building.

- 4.3. Parking and yard space is also required for several vehicles, plant, equipment and workshops (including: 5 \* 18 tonne vehicles; 7 \* 7.5t vehicles; 3 \* JCBs; Gritter body x 1; spinners x 6; plough x 7; trailers; rollers; traffic light equipment; gas bottles; small tools; building materials; signs and barriers).
- 4.4. The parking and storage in the yard area is already under pressure from the existing traffic, and this increase particularly of HGVs adds to the risks.
- 4.5. It is therefore recommended that the Forthbank depot remains open, and that the capital budget identified for the consolidation of the depots is released.

## **5.0 Maintenance to Depots**

- 5.1. It is proposed that £315K of the £600K earmarked for consolidation be used to carry out essential works to both depots.
- 5.2. It is necessary to upgrade the security cameras and the fencing at Forthbank so that depot can function effectively. £40K is the estimated cost of these works. The roads staff report that they had been asking for some years for an upgraded security fence and improved camera system. Fencing works were being considered last year but put on hold due to the proposal to close the depot. Break-ins are a common occurrence with diesel fuel been taken from the vehicles. The winter season is the worst period for thefts.
- 5.3. Work is also required to resurface the hardstanding area at Kelliebank, and to mark out pedestrian walkways and a new one way system (£100K). The current surface is badly damaged and the lack of markings presents a risk to health and safety compliance.
- 5.4. The heating system is now over 20 years old, and replacement is estimated to be in the region of £33K. The large blow heaters in the workshops have recently been condemned and replacements are estimated to be in the region of £40K. Replacement of the leaking asbestos workshop roof will be a further £45K. There is also work required to accommodate the washing facility for the Social Work equipment service as a result of the relocation of the Ward Street stores. The Fleet Services offices also need to be enlarged to accommodate additional staff recently appointed.
- 5.5. In total, the costs of works to both depots are estimated at £315K, which includes a sum for contingencies. This will be required over two years, with £190K required this financial year

## **6.0 Sustainability Implications**

- 6.1. Efficient heating systems and supporting upgrade works will reduce carbon emissions and energy consumption. Recycled materials will be used as appropriate.

## 7.0 Resource Implications

### 7.1. Financial Details

The full financial implications of the recommendations are set out in the report

Yes ✓

Finance has been consulted and has agreed the financial implications as set out in the report.

Yes ✓

### 7.2. Staffing

Works will be completed using internal and external resources. It is not intended to recruit additional staff.

## 8.0 Exempt Reports

8.1. Is this report exempt? No ✓ (please detail the reasons for exemption below)

## 9.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box )

The area has a positive image and attracts people and businesses	✓
Our communities are more cohesive and inclusive	✓
People are better skilled, trained and ready for learning and employment	<input type="checkbox"/>
Our communities are safer	<input type="checkbox"/>
Vulnerable people and families are supported	✓
Substance misuse and its effects are reduced	<input type="checkbox"/>
Health is improving and health inequalities are reducing	<input type="checkbox"/>
The environment is protected and enhanced for all	<input type="checkbox"/>
The Council is effective, efficient and recognised for excellence	✓

(2) **Council Policies** (Please detail)

## 10.0 Equalities Impact

10.1. Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?

Yes

No ✓

## 11.0 Legality

11.1. It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers.

Yes ✓

## 12.0 Appendices

- 12.1. Please list any appendices attached to this report. If there are no appendices, please state "none". None

### Background Papers

- 12.2. Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes  (please list the documents below) No


General Services Revenue and Capital Budget 2017/18

<http://www.clacks.gov.uk/document/meeting/127/774/5623.pdf>

### Author(s)

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### Approved by

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