

**NORTH LANARKSHIRE COUNCIL
COMMITTEE REPORT**

To: POLICY AND RESOURCES (REGENERATION & INFRASTRUCTURE) SERVICES SUB COMMITTEE		Subject: Approval of Service Agreement for Town Centre Activities Ltd
From: EXECUTIVE DIRECTOR OF ENVIRONMENTAL SERVICES		
Date: 16 May 2013	Rep: 1714/LW	

1. Purpose of Report

1.1 This report seeks to approve the terms of the joint working and service delivery between North Lanarkshire Council and Town Centre Activities Ltd (TCA) and its subsidiary companies and which will be reflected in a new Service Agreement. The report also notes Regeneration & Infrastructure (R&I) Services Division's approved 3-year revenue commitment to TCA.

2. Background

2.1 CCTV Ltd and Town Centre Initiatives were formed in August 1997 and January 1996 respectively, and were then merged in 2010 to create TCA. TCA is an Arms Length External Organisation (ALEO) of NLC, and as the sole member of the company, NLC retains ultimate control. However, in recognising that TCA is a company limited by guarantee and a registered charity, the company must comply with both Companies Act and Charities Act legislation.

2.2 In order to comply with this legislation, TCA is managed by a Board of Directors which includes NLC Members and Officers; as well as private sector and community representatives. This structure allows NLC to contract directly with TCA, while seeking to maximise Best Value through the benefits of operating as a private company.

2.3 The company operates three subsidiaries, two of which provide commercial services out-with NLC. The commercial companies seek to provide efficiencies to the NLC services. Using a services specification, the Council primarily contracts with the parent company TCA, securing a range of services encompassing: remote monitoring services for all public space CCTV cameras in North Lanarkshire; provision of NLC building security; and delivery of a town centre management and Shopmobility service in North Lanarkshire.

2.3 The current Service Agreement for TCA has lapsed and given the Council is now developing its detailed 3-year budgets this is an ideal opportunity to update service specifications. The revised contract documents will set in place a single Service Agreement Framework which incorporates and integrates existing and new activities whilst retaining flexibility for further services to be added as and when works are agreed with service departments, thereby removing a need to maintain individual Service contracts. Regeneration and Infrastructure Services represent the ALEO's client and therefore have a leading role to play regards the development of new fit for the future contract documentation and governance arrangements.

3. Following the Public Pound

3.1 Whilst it is widely recognised that councils use arms-length external organisations (ALEOs) as alternative ways of delivering vital services to their communities, the Council remains responsible for ensuring the management and governance of the company is securing value for money. The Council's responsibility to 'follow the public pound' is set out in the *Code of Guidance on Funding External Bodies and Following the Public Pound* (Accounts Commission and COSLA), and section 51 of the Local Government in Scotland Act 2003. These documents identify that councils are required to:

1. Have a clear purpose in funding an ALEO
2. Set out a suitable financial regime
3. Monitor the ALEO's financial and service performance
4. Carefully consider representation on the ALEO board
5. Establish limits to involvement in the ALEO
6. Maintain audit access to support accountability

3.2 In order to gain the necessary level of assurances regarding its ALEO arrangements, the Council has established monitoring processes and procedures, which were last approved at Policy & Resources Committee in June 2012. The use of Service Level Agreements is a core element of these monitoring arrangements as these clearly illustrate the funding and business relationships between TCA and the council which the Council, as the sole member, must regularly monitor and review to satisfy its public accountability and statutory duties.

4. Service Level Agreement

4.1 TCA provides valuable services to the Council and with an increasing focus on service integration and the use of new digital technology, TCA has been able to provide efficient solutions for an increasing number of Council services. Additional services provided during 2012/13 included: -

- Emergency Response Centre – Protective Services Emergency Planning Team;
- Centralising monitoring service of 26 Tower block (270 cameras) project – Housing and Social Work Services;
- Waste Recycling centres – Land Services.

4.2 The Regeneration & Infrastructure Division of Environmental Services holds the budget which funds the management fee paid to TCA for town centre public realm CCTV and town centre management. On reflecting the efficiency saving included within the Council's approved three-year savings package, Regeneration & Infrastructure have the following budgets available:-

2013/14 Budget	2014/15 Budget	2015/16 Budget	TOTAL
£ 426,000.00	£396,000	£356,000	£1,178,000

4.3 However, in recognising this revised framework has the flexibility to incorporate additional services such as those outlined in para. 4.1 above, there is scope for the annual fees payable to TCA to increase to reflect the outcome of negotiations with other Council services.

4.4 In addition to the revenue funding noted above, R&I Services have also secured £300K of capital investment from the capital programme over the next 3 years. This investment will primarily support Town Centre CCTV improvements and expansion; new footfall counters; and expansion of the Shopmobility services.

In addition, discussion is ongoing with Housing and Social Work Services about further centralisation of CCTV that is currently not being monitored and if agreed, will result in additional capital and revenue sums being available to support the management fee payable to TCA. In recognising there is scope for significant works to be incorporated into the TCA framework, no maximum value will be set.

4.5 As outlined in paragraph 3.2, the Council has approved monitoring arrangements regarding all arms length bodies and these will be reflected in the new Agreement. The updated contract documentation will set out the governance and management arrangements of this company, with key elements including:

- NLC Board representation
- Mutual responsibilities vis-à-vis the Council & TCA
- Audit and Financial Monitoring arrangements
- Performance management and reporting

4.6 Furthermore, the documentation will also set out the strategic priorities which the Council would like to see TCA progressing over the next 3 years. This includes:-

- Maximising the potential for further integration of Council CCTV and alarm monitoring services;
- Working with town centre businesses to maximise footfall and attract investment;
- Increasing use of shop mobility services;
- Linking with NLC Services responsible for town centre plans and projects and identify opportunities for joint working;
- Developing non-NLC business to maximise economies of scale; and deliver efficiencies for the Council.

The current list of performance indicators and annual targets are set out in **Appendix A**.

5. Financial Implications

5.1 Committee is asked to note Regeneration & Infrastructure's 3-year revenue commitment (£1,178,000) to TCA. In addition, Committee should note that further works and services will be added to the agreement over its 3 year lifetime and for that reason no maximum value will be set on the management fee payable to TCA.

5.2 The capital expenditure identified at 4.4 has been approved by the Policy & Resources Committee of 18 February 2013.

6. Corporate Considerations

6.1 The detailed terms and conditions of the contract documentation will be agreed by the Executive Director of Environmental Services in conjunction with the Head of Legal Services; and following full consultation with NLC Services.

7. Recommendations

7.1 It is recommended that Committee:

- i) notes the contents of this report and the annual targets as set out in Appendix A;
- ii) approves use of a Service Agreement Framework and joint working arrangement as outlined at 2.3;
- iii) notes the Regeneration & Infrastructure revenue commitment detailed at 4.2.



Paul Jukes
Executive Director of Environmental Services

Performance Indicators

TCA Safe	Annual
Total incidents recorded (see table 1 below for breakdown)	4500
No. of public space CCTV cameras	545
No. of times mobile CCTV cameras are deployed within priority areas	26
No. of ShopWatch members	120
No. of Review Requests made by Strathclyde Police/other agencies	3500
No. of incidents sent to remote viewers	520
No. of evidence discs produced and provided to Fiscal Service	575
% of criminal incidents recorded leading to evidence produced	68%
No. of apprehensions / cautions by Strathclyde Police	750
No. of RIPSA (covert surveillance) requests	10
No. of citations for court	25
No. of large footage requests	7
No. of review requests from NLC Housing and Social Work Services	24
TCA Local	
Town Centre Events Delivered	30
Average cost per Event	£2,500
Private investment	£10,000
Event evaluations complete	30
Town Centre Business Groups (Town Teams) held	24
Town Centre Newsletter published	24
Town Centre Business Grant	
Total Grants awarded	£26,000
Total Value of applications	£35,100
% Grant awarded	65%
Total number of independent businesses Supported	34
No. of retailers supported that were new business start ups	14
Town Centre Business Database	
Total number of business	1298
Total number of units available	1426
Percentage of void units	9.5%
Monthly inspection sheets	84
TCA Accessible	
Total number of registered users	Coatbridge 1151 Motherwell 928 Total 2079
No. of new registrations for North Lanarkshire Shopmobility	191
Total number of visits by Shopmobility customers	Coatbridge 4478 Motherwell 3296 Total 7774
No. of active volunteers supporting the service	Coatbridge 3 Motherwell 3