



EXECUTIVE

YOU ARE REQUESTED TO ATTEND A MEETING OF THE EXECUTIVE TO BE HELD IN THE DEANE HOUSE, BELVEDERE ROAD, TAUNTON ON WEDNESDAY 23RD JULY 2003 AT 18:00.

AGENDA

1. Apologies
2. Minutes
3. Public Question Time
4. Somerset Direct
Report of Director of Corporate Resources (enclosed)

G P DYKE
Member Services Manager

The Deane House
Belvedere Road
TAUNTON
Somerset

TA1 1HE

15 July 2003

Executive - 25 June 2003

Present: Councillor Williams (Chairman)
Councillors Bishop, Mrs Bradley, Mrs Bryant, N Cavill, Garner, Hall and Mrs Lewin-Harris

Officers: Mr S Fletcher (Chief Executive), Mr J J Thornberry (Director of Corporate Resources), Mr A Hartridge (Director of Development), Mrs P James (Director of Community Services), Mr R Evans (Head of Performance), Ms S Adam (Head of Finance), Mr P Carter (Financial Services Manager), Mr D Thompson (Chief Valuer), Mr A Gladstone-Smith (Corporate Performance Manager) and Mr G P Dyke (Member Services Manager)

Also Present: Councillors Mrs Allgrove, Croad, Gill, Henley, House, Lisgo, Mrs Smith, Trollope, Wedderkopp and Mrs Wilson

(The meeting started at 6.15 pm)

17. Minutes

The minutes of the meeting of the Executive held on 28 May 2003 were taken as read and were signed.

18. Apology

Councillor Edwards.

19. Public Question Time

- a) Mr G R Trood asked how many pages were in the Performance Plan and if it would be available in any other format.

Mr R Evans, Head of Performance, reported that the final document would be available on CD and on the Council's web site. It was hoped that this document would be produced at minimum cost.

- b) Mr P Meacock, Mr D Smith and Mr Hines all asked questions relating to properties in the ownership of Mr S Robins. They requested clarification of requirements to provide smoke alarms and a fire door.

Mrs Penny James, Director of Community Services, acknowledged that these were technical issues which needed investigation on site. She assured the questioners that Mr Robins was aware of the standards that were required of all his properties.

Both Councillor Williams and the Chief Executive said that if these queries were submitted in writing, an answer would be provided. They also agreed

that representatives of the Council would be prepared to meet on site in an effort to solve these problems.

Mr D Smith said that he felt the problems between the Council and Mr Robins had continued for too long and if they were not resolved “things would happen”.

- c) Councillor Henley, as a member of the public, asked how a confidential report regarding the Old Municipal Buildings had reached a local newspaper without it first being discussed by Councillors.

Councillor Williams replied that this was a discussion document at this stage. He was equally disappointed that this matter had reached the public domain. An investigation as to how this had happened was underway.

- d) Councillor Henley, as a member of the public, referred to problems caused by doves in Bovet Street, Wellington. He was disappointed that the residents affected by these problems had not received a positive response from the Council.

Councillor Williams undertook to provide a written reply.

- e) Councillor Mrs Wilson, as a member of the public, referred to the proposed sports pavilion at Rockwell Green. She was disappointed to learn from the press that the tenders received were higher than the estimate. She sought an assurance that the Pavilion would be provided at the required standard.

Councillor Mrs Bradley and Penny James replied that, following discussions with the contractor, it would be possible to deliver the building within football league standards.

- f) Mr Alan Debenham asked questions regarding the current position in respect of the Station Road junction traffic review, Crescent Car Park Scheme and the Wellsprings Centre.

Councillor Williams explained the present situation with these schemes.

20. Draft Performance Plan 2003/04

It was reported that Councils had been required by legislation to produce an Annual Performance Plan. Submitted details of this year’s Draft Plan which had previously been considered and approved by the Review Board at its meeting on 12 June 2003.

The main focus of the plan was to report the measures being taken to deliver improvements in outcomes for local people and recording progress in delivering these outcomes. The plan had to address key priorities including progress on agreed delivery targets and summarise an Authority’s planning improvement activities including those undertaken following Comprehensive Performance Assessment (CPA).

The Government guidance on which this year's plan was based, introduced a number of new requirements which included

- progress over the past three years in implementing improvement measures;
- outcomes from or impact of improvement measures implemented over the past three years;
- plans for improvement over the current and subsequent two years;
- performance indicator targets for the current and subsequent 2 years for all statutory indicators and local indicators in priority areas.

The guidance also removed the previous requirements for an efficiency summary and consultation statement; the setting of a five-year period of Best Value Reviews and a summary of any assessment of the level and way in which an Authority exercised its functions.

The revised guidance changed the emphasis of the Plan. The Council was now required to report the outcomes (effects) of improvements rather than merely detailing the actions taken, translating planned improvements into outcome targets. Councils also had to report over a wider time-scale looking back three years and forward three years. The reporting period for this plan was therefore April 2000 to March 2006.

The Performance Plan was the main document in delivering the Council's corporate priorities. It affected them all as it addressed the Council's key priorities, detailed progress on agreed actions and targets and published the Council's improvement proposals.

RESOLVED that Council be recommended that the Draft Performance Plan be agreed.

21. Asset Management Plan 2003

Submitted report previously circulated regarding submission to the Government Office of the required data for 2002/03 for the Asset Management Plan.

The report also dealt with progress made with the 2002 10-Point Action Plan and gave details of a 10-Point Action Plan for 2003.

The Review Board at its meeting on 12 June 2003 had considered the full range of properties covered by the Asset Management Plan. Detailed summary sheets were submitted which illustrated progress with the Performance Indicators.

Consideration was given to the progress made with the 2002 Action Plan. Although it was not a Government requirement, a 10-Point Action Plan for 2003 had been set. Issues arising from last year's programme had been rolled forward for further action.

RESOLVED that:-

- (1) the performance of the Property Portfolio be noted together with the need for an adequate repair/maintenance budget to address a backlog;

- (2) progress being made with the 2002 Action Plan be noted and
- (3) the Council be recommended to agree the 2003 Action Plan.

22. Capital Strategy 2003

Reported that as part of good asset management practices, the Council was required to prepare a Capital Strategy, which had to be adopted by full Council.

The Capital Strategy, together with the Asset Management Plan and the Housing Business Plan, formed the core documents required for the Council to comply with the requirements of the Single Capital Pot.

The Single Capital Pot had been introduced in 2001 to allocate credit approvals to Authorities based on their progress towards having a joined-up corporate and strategic by approach to capital investment. The Capital Strategy for 2001 and 2002 had been assessed by the Government Office for the South West as “good” and had earned additional credit approvals for the Council of £50,000 in each of these years.

The Capital Strategy was a summary of the Council’s approach to Capital Investment and complied with the format and requirements specified in Government guidance.

RESOLVED that the Council be recommended that the draft Capital Strategy for 2003 be agreed.

23. Commutation Adjustment

Reported that in 1992 the Secretary of State had exercised powers to make single payments to Councils to commute all entitlement in future years’ improvement grant subsidy on works carried out before 1992/93. Where Councils had outstanding Public Works Loan Board (PWLB) debt, the payments, instead of being made to the Council, were made directly to the PWLB to reduce or extinguish debts.

The single payment made by the Government reduced authorities indebtedness thereby reducing its credit ceiling (notional) and as a consequence its MRP (Minimum Revenue Position) (real) and Debt Interest (real) Charges to the Revenue Account.

However this reduction was not enough to compensate Councils for the loss of the annual improvement grant subsidy received previously. The calculation of the MRP was therefore amended to include the “Commutation Adjustment”. This was intended to “compensate” Authorities and to return their accounts to the position to that which would have been held if the commutation exercise had not taken place.

This Council had not been following the full requirements of this section of the 1989 Act in its Statement of Accounts. The situation was further complicated by the policy of “voluntary top-ups” to MRP which was policy within Taunton Deane until 2001/02. Officers, together with the Council’s Treasury Advisors’ Sector had gone back through the Council’s accounts to April 1992 and had calculated the commutation adjustment for each financial year thereafter. The relevant figures for each year were submitted.

The difference between what had been charged to the accounts and what the Council were required to charge the accounts over the period to the end of 2001/02 was £2,883,202. During this period the Council operated a voluntary top-up to MRP policy and this could not be unwound. Reintroducing this to the equation reduced this figure to £1,823,899.

This £1.8m could be taken back into the Council's accounts and transferred to the General Fund Reserve. However it was pointed out that there were ongoing costs associated with doing this due to the commutation adjustment reducing the MRP which in turn left the credit ceiling higher than it would have been. The higher credit ceiling meant higher future MRP charges to the revenue account. The costs equated to roughly 4% of the "positive adjustment" plus an increase in debts costs born by the General Fund.

The need for Capital Funding, the future costs associated with it, the aspirations of the Council regarding repayment of debt and the impact of any decision on the new prudential regime were all taken into account when considering how much of the £1.8m the Council took back into the accounts.

There were a number of options. Whilst there was a need for monies to support capital spending, this was balanced with the ongoing Revenue cost that this adjustment would incur. It was considered prudent to take the maximum commutation allowance now and to take some time to consider how this should be best used to meet the Council's priorities. The funds, if not required, would be returned to the Reserve in 2003/04 and noted as early repayment of debt.

The impending introduction of the Prudential Regime would change all current regulations regarding MRP and the allocation of interest charges between the various Council funds (HRA and General Fund).

District Audit had reviewed and audited the calculations and had accepted the position outlined in the report.

RESOLVED that the current position on the commutation adjustment be noted and Council be recommended that:-

- (a) the transferring of the backdated commutation adjustment, amounting to £1,823,899 to the General Fund Reserve and the immediate earmarking of these funds for capital purposes (RCCO in 2002/03), be agreed;
- (b) the transfer of the 2002/03 commutation adjustment amounting to £116,500 to the General Fund Reserve and the immediate earmarking of this for capital purposes (RCCO in 2002/03), be agreed;
- (c) the transfer of the 2003/04 commutation adjustment amounting to £153,660 to the General Fund Reserve and the immediate earmarking of this for capital purposes (RCCO in 2003/04), be agreed.

24. Outturn Report 2002/03

Submitted details of the outturn position of the Authority on revenue and capital for the General Fund, Housing Revenue Account and trading services for 2002/03.

Considered a summary of the General Fund Revenue Outturn position and the expected use of reserves to support the budget.

The draft outturn for 2002/03 was submitted in summary. It was significantly different to the estimated position because of the impact of the Commutation adjustment. Removing this exceptional item the draft outturn position showed a net transfer from the General fund reserve of £497,183. This was £49,876 lower than that previously reported. Details of the major variations were submitted.

In addition there had been requests to carry forward the following underspends from 2002/03 to 2003/04.

| Requests from Officers to carry forward 2002/3 underspends to 2003/4: | | |
|--|-----------------|---|
| Expenditure Head | Amount £ | Comments |
| Vision for Taunton | 50,000 | This was the subject of a request for a supplementary estimate during 2002/03, however no costs had been incurred within 2002/03 therefore there had been a request for these funds to be carried forward to 2003/04 |
| Liquor Licensing | 50,000 | The set up costs, which were likely to be incurred in the administration of the Council's new responsibilities for Liquor Licensing, were estimated at £78k. There was already £20k within the 2003/04 budget for set up costs, leaving £58k to be found. The approval of this carry forward from the 2002/03 budget would largely cover the remaining costs. The balance of £8k would be found from within the 2003/04 budget. |
| Rental Support Scheme | 10,000 | In a report to the Strategic Planning, Transportation and Economic Development Review Panel in February 2003 there was a recommendation to extend the existing rental grants scheme. The report identified the need to carry forward the 2002/03 underspend in support of the new scheme. |
| Community Safety | 5,300 | In order to support and enhance the Council's work with Communities against Drugs, the Safer Communities Initiative and the Partnership Development Fund there had been a request to carry forward the unspent balance from 2002/03 to 2003/04. In addition this would go part of the way in making up for a reduction of central Government funding in 2003/04. |

| Requests from Officers to carry forward 2002/3 underspends to 2003/4: | | |
|--|-----------------|--|
| Expenditure Head | Amount £ | Comments |
| The Wellsprings Centre | 55,850 | Due to the delayed opening of the Wellsprings Centre the revenue budget for the facility has been underspent. As a contingency measure, officers are recommending that the remaining balance be carried forward to meet any, as yet, unidentified additional costs which may arise as the construction phase of the centre progresses. |
| Total Carry Forwards | 171,150 | |

The effect of allowing these carry forwards to proceed would be as follows:-

| | £ | £ |
|--|----------|----------------|
| Use of Reserves per Current Budget | | 547,059 |
| Additional underspends | -49,876 | |
| Requested carry forward of underspends | 171,150 | |
| Use of Reserves 2002/03 | | 668,333 |

In addition it was agreed to earmark £50,000 from the 2002/03 underspend for the replacement of the HR/Payroll system software.

The effect of the Commutation adjustment was the subject of a separate report. In broad terms the Council had been setting aside a greater amount than necessary for the repayment of debt within the Revenue budget. The District Auditor had agreed that the Council could “reclaim” these monies. In total, up to and including 2002/03, they amounted to:

| | £ |
|---------------|------------------|
| Up to 2001/02 | 1,823,899 |
| 2002/03 | 116,500 |
| Total | 1,940,399 |

This adjustment for years up to and including 2001/02 had been credited directly to the General Fund Reserve. For 2002/03 the amount which was set aside for debt repayment would now no longer be required, therefore this was a saving. However, it was agreed that all of these monies be earmarked for capital purposes. Therefore within the 2002/03 final outturn this must be shown as a revenue contribution to capital. For accounting purposes, the setting aside of monies from revenue for capital was shown within the revenue account therefore this transaction counted part of the Council’s total overspend (although it was immediately countered by the income already within the General Fund Reserve).

The expected outturn of the Council for 2002/03 was as follows:-

| | Original Budget 2002/03 £ | Current Budget 2002/03 £ | Actual 2002/03 £ | Variation Between Current Budget and Actual £ |
|---|----------------------------------|---------------------------------|-------------------------|--|
| Use of Reserves | 83,184 | 547,059 | 497,183 | -49,876 |
| Carry forward of Underspends | - | - | 171,150 | 171,150 |
| Earmarked Reserve for HR/Payrollsystem | - | - | 50,000 | 50,000 |
| Commutation RCCO | - | - | 1,823,899 | 1,823,899 |
| Total use of General Fund Reserves | 83,184 | 547,059 | 2,543,232 | 1,995,173 |

The current budget required a total of £547,059 from the General Fund Reserve to support expenditure. This would increase to £2,542,232. The current position of the General Fund Reserve was therefore:-

| | £ | £ |
|---|------------|------------------|
| Balance brought forward 1 April 2002 | | 2,122,409 |
| Add: | | |
| Business Rate Refunds received | +340,615 | |
| Commutation adjustment up to 2001/2 | +1,823,899 | |
| Corporate Priorities underspend returned to reserve | +13,737 | |
| CSL Reserve returned to reserve | +350,000 | |
| Less amount used to support the 2002/03 budget: | | |
| General | -718,333 | |
| Exceptional Item - Commutation RCCO | -1,823,899 | |
| Balance carried forward 31 March 2003 | | 2,108,428 |
| Less amount used to support the 2003/4 budget | -692,499 | |
| Expected balance @ 31 March 2004 (prior to any 2003/4 supplementary estimates) | | 1,415,929 |

This was compared to an estimated year-end balance on the reserve of £2,098,407 following all budget monitoring exercises.

Details of the major variations arising since the Quarter 3 (Q3) budget monitoring exercise were submitted.

Due to the size of the Councils capital programme and the significant problems experienced during the year a larger proportion of officer time has been spent on capital works than expected. The budget for this time was within the revenue budget

and an RCCO to switch this budget to capital was agreed. This amounted to £102,570.

The General Fund capital programme for 2002/03, as approved by Council on 25 February 2003, showed net total expenditure in the year of £3,396,190.

The final outturn position showed total expenditure of £1,640,689 and included unplanned expenditure of £39,040. A summary of this expenditure was submitted.

Recent supplementary estimates had fully allocated all current resources available to finance capital projects. Transferring the commutation adjustment to Capital Reserves, would increase the amount of capital resources available for use on future capital schemes to £1,940,399.

All other slippage had been rolled forward into 2003/04. The updated budget for 2003/04 now totalled £4,009,082. The total programme for 2003/04 to 2005/06 now totalled £4,845,282 and was fully financed.

The Housing Revenue Account had also been closed using estimated subsidy figures. The working balance carried forward into 2003/04 of £1,379,595 was £405,595 more than predicted in the Q3 budget monitoring report. Details were submitted of reasons for the additional surplus.

As a result of slippage, it was estimated that an additional £67,000 would be spent on planned maintenance and painting contracts in the current year. This would reduce the balance carried forward to £339,000.

The balance carried forward on the Piper Trading Account at 31 March 2003 amounted to £134,256 compared to the revised estimate of £90,016. As a result of slippage, it was estimated that an additional £35,000 would be spent on upgrading Piper equipment in the current year. This would reduce the balance carried forward to £99,000.

All useable Capital Receipts were spent during 2002/03. Reserved Capital receipts amounting to £3,656,144 were used to redeem Housing debt.

£1,348,883 of capital expenditure was financed out of revenue during 2002/03. The balance available as at 31 March 2003 was £455,265 and this would be spent during the current year.

During the year the Deane DLO made a net surplus of £54,767 of which £43,500 would be used for profit share to Deane DLO employees. Therefore the net increase on the DLO Reserve was £11,267. The balance on the Reserve as at 31 March 2003 was £94,692.

During 2002/03 there had been many changes to the amount of deficit funding required by the Leisure DSO. It was estimated that at Q3 the DSO would require deficit funding of £41,916. The actual level of deficit funding required was £152,652. Included within this overspend were several one off exceptional items, details of which were submitted.

RESOLVED that:-

- (a) the draft outturn positions on revenue and capital for both the General Fund and Housing Revenue Account for 2002/03 be noted;
- (b) the creation of a reserve for the replacement HR/Payroll IT system of £50,000 be agreed;
- (c) the funding of £99,666 of the Leisure DSO deficit from the General Fund be agreed;
- (d) the creation of an RCCO for Internal Recharges charged to capital projects of £102,570 be agreed;
- (e) £43,500 of the DLO surplus be set aside for future profit share payments;
- (f) the following 2002/03 underspends be carried forward into 2003/04:-
 - Vision for Taunton £50,000
 - Liquor Licensing £50,000
 - Rental Support Scheme £10,000
 - Community Safety £5,300
 - The Wellsprings Centre £55,850

25. Treasury Management Update

Submitted report previously circulated which set out details of the accounts of the loans pool for the year ended 31 March 2003 together with details of the forecast for 2003/04 and borrowing and investment transactions during the year.

RESOLVED that the Treasury Management Outturn for 2002/03 and the position to date for 2003/04 be noted.

26. Redevelopment of Crescent Car Parking Site, Town Centre Regeneration/ Opportunities for Retail Growth in the Old Market Centre/Crescent Car Park Area

Reported that following their investigations, Sovereign Land Limited had now concluded that because of its restricted size the Crescent Car Park site would not be viable to carry out the proposed Crescent Car Park Scheme.

Details were submitted of the background of the proposed Crescent Car Park development and the work that had been undertaken in testing the viability of the redevelopment scheme.

The Council had a nil budget for 2002/03 with the understanding that the developer (Sovereign/Heritage) would reimburse the Council for any fees paid to C B Hillier Parker. To date a total of £38,000 had been spent and a reimbursement of £15,000 had been received from Sovereign Land Ltd leaving an outstanding balance of £23,000. It was also estimated that an additional cost of approximately £5-7,000

would be incurred regarding the employment of C B Hillier Parker to advise on commercial/viability matters for the last quarter of 2002/03. A Supplementary Estimate of £30,000 was required for fees paid to C B Hillier Parker.

The Vision for Taunton was that the Old Market Centre/Crescent Car Park area should function effectively as a major retail destination in the region. It had been suggested that a study of the Old Market Centre and the Crescent Car Park wider area would demonstrate the potential of this area to contribute significantly to the future vitality and viability of Taunton. However it was felt that, at this stage, not only could any scheme for redevelopment be fairly difficult to implement with significant parking disruption during construction, but a careful assessment of viability and the Borough Council's financial return from such a development would be crucial.

Detailed consideration had been given by the Members' Steering Group to possible partnership arrangements/consulting arrangements for a feasibility study of the wider area. Terence O'Rourke were commencing production of an Urban Design Framework for the town centre and the master planning of key sites. It was considered that agreement should be sought with the Regional Development Agency, Terence O'Rourke and partners for the master planning of potential development areas on either side of the High Street. If this work was to progress in tandem with the existing programme/consultation arrangements, there was a tight timescale to reach agreement and it would be prudent to have a Supplementary Estimate available for potential master planning and for future consultancy fees to assess scheme viability/potential development partnerships.

It was considered helpful to have a Member Steering Group to oversee progress. The membership of the present Crescent Car Park Steering Group was well placed to fulfil this responsibility.

The revenue implications of the proposals were -

| | |
|---|----------------|
| Outstanding C B Hillier Parking consulting fees | £30,000 |
| Contribution to Terence O'Rourke for extending the master planning Urban Design Framework Brief | £25,000 |
| Additional provision for future consultancy fees in respect of any scheme viability assessment/initial negotiations | £15,000 |
| TOTAL | £70,000 |

A Supplementary Estimate in the sum of £70,000 would therefore be required.

RESOLVED that Council be recommended that:-

- (1) it be noted that the current car park scheme was not viable and should not be pursued at the present time;
- (2) opportunities for retail growth in the Old Market Centre/Crescent Car Park area be investigated and discussions commenced with significant landowners in the area;

- (3) agreement be sought with the Regional Development Agency, Terence O'Rourke and partners to extend the existing contract to secure master planning of the potential retail growth/redevelopment of the Old Market Centre/Crescent Car Park area;
- (4) a Supplementary Estimate of £70,000 be made to enable outstanding fees to be met and to enable matters to progress to assist town centre regeneration;
- (5) the existing Crescent Car Park Steering Group form a Steering Group to oversee progress in regenerating the Old Market Centre/Crescent Car Park area.

27. The Wellsprings Centre

At its meeting on 22 April 2003, the Council agreed to authorise the carrying out of advanced works to the Centre in order that it be made wind and watertight. On 2 May, Sport England indicated that they were not prepared to give further grant aid to the Council to complete this project. The leaders of the political groups then represented on the Council agreed to make available the necessary funds to complete the project and the Council's chosen contractor, Bluestone Plc, was advised that they could proceed with the completion work.

In the course of carrying out the advanced works, Bluestone had discovered that there were some apparent structural defects which had not previously been identified at the Centre concerning the internal blockwork wall and the means by which it was attached to the structural steel framework of the building. In addition there were problems concerning the connections between the roof purling and the eaves cleats.

These defects had been spotted as a result of the removal of defective cladding on one of the walls at the Centre and there were two other walls constructed in an identical way. Symonds Group Ltd had therefore recommended that the other two walls be inspected for the same problem.

Bluestone Plc had quoted the sum of £68,736 excluding VAT to remove the cladding on the other two walls to allow their inspection, to replace that cladding and to carry out the necessary repair work to the one wall now known to suffer from these defects. It was estimated that to repair similar defects on the other two walls would amount to in excess of £18,000 based on the current quotation.

These structural defects could only have been found when the defective cladding was removed. It was necessary and appropriate to ensure that the other two walls were not similarly defective. With the protective cladding removed it was urgent that the repair works be carried out quickly to avoid further risk to the building. Emergency approval had therefore been given by the Leader of the Council to Bluestone starting the works immediately.

RESOLVED that:-

- (1) the earmarked 2002/03 revenue underspend of £55,850 on this project be transferred to the Capital Programme; and

- (2) Council be recommended to confirm a Supplementary Estimate from unallocated Capital Reserves of £34,150.

28. Disabled Parking Charges

Reported that the Strategic Planning, Transportation and Economic Development Review Panel, at its meeting on 10 June 2003 had considered parking charges for Blue Badge holders. The Panel had recommended that the current charges be abolished for Blue Badge holders.

The estimated annual income from charges paid by badge holders was £70,000 per annum. The impact on the 2003/04 budget, due to the timing of this change, was likely to be in the order of £50,000. This could be funded by virement in the current year with £30,000 coming from HMSO Licensing and £20,000 from Environmental Schemes.

RESOLVED that Council be recommended that £50,000 be vired for the funding of the removal of charges on disabled car parking.

29. Planning Staff

The Strategic Planning Transportation and Economic Development Review Panel at its meeting on 10 June 2003 considered a report on Performance and Staffing in Development Control. The report outlined the use of the Planning Delivery Grant in 2003/04 and recommended the appointment of one full time and one part time member of staff within the Planning Unit.

The Executive Councillor for Planning and Transportation had agreed the Panel's recommendations and sought approval of the necessary budget changes.

The Government had issued additional funds to all Planning Authorities in 2003/04 under the heading of Planning Delivery Grant. This money had been issued to Authorities based on planning performance, this Council receiving £75,000. Similar grants might be available in future years but this could not be guaranteed or budgeted for with any certainty. The grant should be targeted to delivering improved services and details were submitted of how this would be achieved.

The report to the Panel outlined a request for additional staffing which would cost £32,179 within the Planning Unit. This was ongoing expenditure and could not be funded from the Planning Delivery Grant. The Planning income levels had increased steadily over the last few years. It was proposed to fund the cost of employing additional permanent staff within the Planning Unit by virement. This could be done by increasing the base budget for Planning fee income by £32,180 and increasing the base budget for Planning staff by the same amount. Should the Planning fee income fall short of the new increased budget, the staffing levels would be revisited.

RESOLVED that Council be recommended that:-

- (1) the virement of £32,180 for the funding of additional staff within the Planning Unit be agreed;

- (2) the allocation of the Planning Delivery Grant within the 2003/04 budget as set out in the report be agreed.

30. Supplementary Credit Approval - Air Quality Monitoring

Reported that successful bids had been made for Supplementary Credit Approval (SCA) for:-

- (a) Action Planning in the sum of £16,000 and
(b) replacement of Meteorological Station, £5,000.

Details of both bids were submitted.

The coincidental timing of so many air quality projects each of which required very significant amounts of work, meant that the development of the Action Plan for the Air Quality Management Areas could not be undertaken from within existing staff resources. It was proposed therefore to employ the Air Quality Management Resource Centre at the University of the West of England to carry out a comprehensive review. They had considerable experience in this very specialised field and were highly regarded by the Department of the Environment, Food and Rural Affairs (DEFRA).

The success of future air quality projects would increasingly depend upon reliable and very local meteorological data. It was therefore important that the Council had access to and control of such data.

RESOLVED that Council be recommended that the DEFRA offers of Supplementary Credit Approval be accepted in the sums of £16,000 and £5,000 for Air Quality Action Planning and for a replacement Meteorological Station respectively and that the General Fund Capital Programme for 2003/04 be amended accordingly.

(The meeting ended at 8.42 pm).

TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE – 23RD JULY, 2003

REPORT OF DIRECTOR OF CORPORATE RESOURCES

**This matter is the responsibility of the Executive Councillor for Resources,
Councillor T. Hall**

SOMERSET DIRECT

1. PURPOSE OF THE REPORT

- 1.1. The Executive needs to consider and decide whether to:
 - Adopt the Somerset Direct model as its methodology for dealing with customer enquiries
 - Request Full Council to approve a supplementary estimate from General Fund Reserves to fund the costs of either £84,638 or £231,002, if Reception is remodelled.
 - Note the legal basis under which Somerset County Council will enter into contracts with suppliers on our behalf
 - Note the staffing arrangements and accommodation changes.

2. SUMMARY

- 2.1. Somerset Direct is a government-sponsored Invest To Save Budget project to improve the handling of enquiries by the public to all Somerset councils. ODPM is funding 75% of initial project costs but no on-going funds.
- 2.2. Each partner is asked to commit to the benefits, savings and costs of the project, to allow the County Council to sign contracts with suppliers on behalf of the partnership, so that we can proceed to live operations.

3. BACKGROUND

- 3.1. This project is supported by Invest to Save Budget funding from the Office of the deputy Prime Minister (ODPM). ISB provides 75% of funding and Somerset Councils provide 25%. Total project size is £3.8m. Individual Councils are responsible for sourcing on-going costs and realising savings.
- 3.2. The ODPM representative for e-government in the South West has recently made two visits to the Partnership and continues to restate their keen interest in the project and the benefits it will bring to the people of Somerset. ODPM expects each partner to reflect the project and the resulting meeting of e-government targets in its CPA assessments.
- 3.3. All five District Councils and the County Council committed to the ISB bid and have been working together to bring the benefits to fruition. The Partnership is now at the stage of appointing a key technology supplier. This

paper gives the Council the opportunity to review progress and the business case before contracts are signed.

4. SERVICE AND EFFICIENCY IMPROVEMENTS

- 4.1. This project is about improved access to services and increased customer satisfaction with the real potential for efficiency savings.
- 4.2. It addresses the 70% of contact we have by phone and through face to face enquiries from members of the public. We also expect to reduce the need for post or face to face visits resulting from public enquiries, where the answer to the initial query was not understood.
- 4.3. Local authority experience elsewhere shows that a significant proportion (upwards of 80%) of phone enquiries are capable of being addressed by selected and trained advisers using modern telephone and computer systems. The Council will thus satisfy over 50% of their overall enquiries with consistent, fast, effective and high quality responses. While call times are not specifically targeted, we can expect an effective, high quality response to take on average 20-30% less time than traditional responses.
- 4.4. Our valuable professional/technical back office staff will be freed to concentrate on those enquiries that require their skill, experience and judgment. Both of these benefits will directly and significantly improve public satisfaction with local services in Somerset.
- 4.5. In addition, experience elsewhere has shown that elected members are less involved in routine enquiries.
- 4.6. We will focus first on dedicated customer service staff, but the technology will allow us to utilise single home-based advisers, council information points, tourist information centres, small offices or even dedicated groups of staff in central offices. It provides unified phone call handling in Somerset to the public, whilst ensuring each Council its local distinctiveness.
- 4.7. The council will be able to introduce flexible working for some staff, including less able and rural outworkers, should it wish. This flexibility will help enable extended hours services for the public to be cost-effectively provided, by call sharing and shared rosters amongst the partner authorities.
- 4.8. Each partner will be able to significantly improve their achievement of e-government targets through Somerset Direct.

5. FINANCIAL IMPACT

Appendix B gives details of the finances of the project.

- 5.1. Somerset Direct is principally aimed at significantly improving public service response, particularly by phone and then consequently improving back office performance and reducing office visits and vehicle journeys. This will make the authorities in Somerset even more public facing and service-oriented. Our savings are essentially “Invest to Gain” in nature and we will re-invest these savings to drive forward our public phone call 1st time response fulfilment and to make real and measured improvements in public satisfaction with local authority services in Somerset.

- 5.2. Back office staff will be freed to concentrate on the 30% of calls that require a professional/technical response or judgement. We conservatively believe that there will be significant efficiency gains in the back office.
- 5.3. The Supplementary Estimate required for a remodelled Reception and for Somerset Direct is £231,002. If Somerset Direct is implemented without a remodelled Reception, the Supplementary Estimate required will be £84,638. These costs will be spread over the financial years 2003/04 and 2004/05.

6. LEGAL IMPACT

- 6.1. This Agreement between the partners indemnifies Somerset County Council as the Lead Authority and each other as partners in connection with the financial and contractual arrangements.
- 6.2. We are close to finalising the Agreement - there are now no significant issues that need to be resolved before each partner signs.
- 6.3. It contains a five year commitment from each partner to meet the project setup and ongoing costs. If any partner withdraws it needs to give 12 months notice and is responsible for any resulting cost shortfall.

7. PERSONNEL IMPACT

- 7.1. Somerset Direct is mainly about improving customer service. It aims to better equip staff who deal with both face to face and telephone enquiries.
- 7.2. In Taunton Deane our recommendation is to establish a new Customer services team. There is a great deal of project management and development work to be done in order to ensure that all services are brought into Somerset Direct over the next twelve to twenty months. David Gary will therefore, continue as the Project and Implementation Manager. Operational Management will be carried out by a Customer Services Manager. This post will be filled from within the existing staff establishment. The customer service advisors will also come from within the establishment.
- 7.3. It is our intention to use a phased approach, over a period of twelve months from April 2004, bringing all services provided by the council into this system of dealing with public enquiries. However, because it is also our intention to subsume our switchboard number of 356356 into the system, effectively all services will have a some level of integration from day one.

8. ACCOMMODATION

- 8.1. There is a need for all of the customer services team to be in one place, related to the face to face facilities in the reception area. Given this need, the opportunity presents itself to revamp the area and present a modern, customer friendly area with proper sound management and a 'meeter and greeter' providing both security and greeting to members of the public as soon as they enter the area. Such an individual provides a major impact on people entering the building because they no longer feel anonymous and unacknowledged. It is intended that apart from a cashier position, we will consult with staff on how the area can be made more customer friendly, possibly by the removal of glass barriers. This has been shown to reduce the level of intimidation felt by

some members of the public and diffuse anger. However, private rooms will still be available as now.

9. RISK IMPACT

- 9.1. Part of managing the project is to identify and analyse risks and to instigate preventative actions. We regularly review the Somerset Direct Risk Register.

10. TIMETABLE

- 10.1. The technology for Somerset Direct is planned to go live on 1 April 2004 with the ability to handle all types of enquiry to a specified service level. Advisers will be able to fulfil some enquiries in depth, whereas others will be passed to the back office. Between April 2004 and December 2005 we will progressively perform towards our target of fulfilling 80% of calls within the customer services area.

11. RECOMMENDATION

- 11.1 Members are requested to:-

- ask Full Council to agree a Supplementary Estimate for £231,002.
- sign up to the project.

**Jeremy Thornberry,
Director of Corporate Resources
01823 356406
j.thornberry@tauntondeane.gov.uk**

Appendix A – Specific service and efficiency improvements

1. Fast, consistent, effective and high quality responses to phone and face to face enquiries, with 70% being answered first time.
2. Phone enquiries requiring professional advice from a specialist officer will be consistently and quickly re-directed to the appropriate back office. We estimate that interception of general calls should eventually free up approximately 5 staff.
3. Faster turnaround from back offices to written and phone enquiries, due to less time being taken with general enquiries.
4. More staff directed to front-line services, in particular for face-to-face services for those least able to use the new forms of communication, who are often heavily dependant upon us for key services like benefits, housing and social services.
5. Ability to extend opening hours for phone calls throughout Somerset, thereby increasing public access at times convenient to them. This project provides the technology for an efficient 8am to 8pm Monday to Friday service, with 10am to 4pm on Saturdays if required.
6. Better service responses and higher first time call fulfilment to phone calls, by connecting advisers to key back office transactional systems.
7. Advisers will be selected members of staff, who show an aptitude for public call handling and are strongly motivated to fulfil first line public calls.
8. The public will be able to self-help or have assisted access at one-stop shops, tourist information centres, council information points and libraries, re-using the scripts from Somerset Direct.
9. Self-help access via the Internet and digital TV will give access to the same scripts, which will be re-purposed to these electronic delivery channels.
10. The public will benefit from better management of call handling, due to the new call logging, analysis and reporting systems, which will provide key management information on performance and demand.
11. In emergency or exceptional circumstances (eg flooding, foot and mouth, road closures, major safety incidents) the public will benefit from fast, authoritative and consistent, phone-based information via Somerset Direct.
12. For the benefit of the Somerset public, the potential is there to extend Somerset Direct to the voluntary sector (like the Citizens Advice Bureau), to help them in their community-based work and to allow the partner authorities to work with the voluntary sector in an integrated service response.

Appendix B – Project Costs

The costs of this project have now been analysed and are shown in summary form below.

SET-UP COSTS

| | Total spread over 2003/04 & 2004/05 |
|------------------------------------|--|
| Central* | 97,000 |
| Local – Basic Project only | 195,527 |
| Local – Reception Costs (optional) | <u>119,000</u> |
| Total Set-up Costs | 314,527 |
| Funding from Invest to Save Bid | (200,000) |
| Gap | 114,527 |

**The central set-up costs allocated to this Council from the central project amount to £97,000 and cover our share of project costs such as Voice Systems, Technology Development and Data Network costs. The £97,000 will be funded from our IEG monies – as approved by Members in earlier budget rounds.*

The local set-up costs have been shown in two categories; the basic project costs and the extra cost to remodel Reception. The total one-off costs that this Council will be required to fund in order to deliver the project amount to £114,527 if Members wish to take this opportunity to remodel Reception.

ONGOING COSTS

| | 2003/04 | 2004/05 |
|------------------------------------|----------------|----------------|
| Central | 0 | 30,000 |
| Local – Basic Project | 17,810 | 31,619 |
| Local – Reception Costs (optional) | 9,682 | 27,364 |
| Total Ongoing Costs | 27,492 | 88,983 |

The central ongoing costs allocated to this Council from the central project ultimately amount to £30,000 per annum and cover our share of project costs such as Software Maintenance, Communication Link Maintenance and Publicity Costs.

The local set-up costs have again been shown in two categories. The ongoing costs that this Council will be required to fund in order to deliver the basic project requirements amount to £31,619. Should Members decide to remodel the Reception area, an additional post to “meet and greet” our customers will be required. This, along with other Reception-related additional costs will amount to £27,364 per annum.

The efficiency improvements generated by the implementation of the Somerset Direct technology will provide opportunities for savings to be made in existing staffing structures. It is expected that by the end of year 2 (2004/05 financial year) that savings at least equivalent to the additional ongoing costs will be achieved through natural wastage.

SUMMARY

Members are requested to consider the approval of supplementary estimates from General Fund Reserves in order to fund:-

| | |
|---|----------------|
| Local Set up Costs including remodelled Reception | 114,527 |
| Central Ongoing Costs (2 years) | 30,000 |
| Local Ongoing Costs (2 years) | 86,475 |
| Total Supplementary Estimate Required | 231,002 |

The Supplementary Estimate required for a remodelled Reception and for Somerset Direct is £231,002. If Somerset Direct is implemented without a remodelled Reception, the Supplementary Estimate required will be £84,638. These costs will be spread over the financial years 2003/04 and 2004/05.

Appendix C – Risk Register

| Risk | How do we prevent it | Impact | Probability |
|--|--|--------|-------------|
| Lack of financial resource | ODPM funds confirmed Partners to confirm financial commitment On-going financial commitment assessed and agreed | H | M |
| Partner's existing technology is inadequate | Each partner carries out own technical assessment | M | M |
| Lack of personnel resource | Partners identify resource requirement | H | M |
| Lack of acceptance by staff | Clearly defined communication strategy | H | M |
| Lack of leadership | Appointed project manager Officer steering group created Programme board appointed Partners regularly report to Chief Executives group Appointed project sponsor | M | M |
| Service to the customer does not improve | Clearly defined minimum service standards Customer service strategy | M | M |
| Lack of customer support | Consultation through selective focus groups Soft launch Set and measure performance measures | M | M |
| One or more partners fail to implement in line with minimum requirement | Set and agree minimum requirements | M | M |
| Project fails to deliver to ODPM satisfaction | Regular dialogue with ODPM | L | L |
| Contractor goes out of business | Financial assessments Exit strategy | L | L |
| One or more partners pull out | Involve ODPM Peer pressure All partners fully involved Legally enforce financial penalties | M | M |
| Fail to identify acceptable solution | Clear and realistic specification | M | L |
| Contractor fails to deliver against expectation | Customer site references Contractual penalties Business continuity plan | M | M |
| Changes to the project lead to a lack of clarity/ understanding of objectives | Changes are agreed at 'highest' level Change control process | M | M |
| Legal constraints prevent full implementation | Appoint/agree legal advisor | M | M |
| Failure to agree final partnership legal document | Draft circulated for consideration Deadline for agreement | M | M |
| Lose political support | Briefing pack for new members Regular briefing by partners to politicians Site visits for members | M | M |

Appendix D – Timetable

| Activity | Timetable |
|---|-------------------------------|
| Setup project board | Complete |
| Appoint/recruit Somerset Direct Programme Manager | Complete |
| Undertake a data & voice network capacity analysis | Complete |
| Specify call management & CRM systems, staff selection & training package | Complete |
| Select supplier, call management & CRM systems | Complete |
| To have CMT approval for the political report | Early July 2003 |
| To have full Council approval | 6 th August 2003 |
| Appoint prime supplier | August 2003 |
| Plan services to be live for Stage 1 (April 2004), Stage 2 (June 2004), Stage 3 (September 2004) | By September 2003 |
| Recruit 2 temporary staff to work with sections on process mapping and setting up scripts | By September 2003 |
| Recruit Customer Services Manager | By end of October 2003 |
| Negotiate with staff & union representatives over VCP impact, staff selection and training | In progress, by October 2003 |
| Survey & base line public satisfaction rating for our phone call handling | By November 2003 |
| Negotiate agreements between Somerset Direct partners on call overflow, mutual and/or service-based call agreements & cross-charges | By November 2003 |
| Negotiate & specify new user friendly and themed-by-service phone numbers | By November 2003 |
| Map the Stage 1 business processes | In progress, by December 2003 |
| Collect CRM scripts and knowledge for Stage 1 services | By December 2003 |
| Implement improved business processes for Stage 1 services | From January 2004 |
| Implement ICT/telecomm infrastructure to support project | By December 2003 |
| Implement call management & CRM script systems | By January 2004 |
| Select and train pilot Stage 1 Advisers | By January 2004 |
| Develop links to selected back office systems for Stage 1 services | By February 2004 |
| Pilot with Somerset Influence members the new phone call handling systems & methodology | By February 2004 |
| Review pilot trials and adjust where necessary | By March 2004 |
| Publish and promote new themed-by-service contact numbers | By April 2004 |
| Launch Stage 1 Somerset Direct services across all partners | 1 April 2004 |
| Review project & dissemination | April 2004 onwards |
| Select and train later Stages Advisers | By June 2004 |
| Launch Stage 2 Somerset Direct services across all partners | 1 June 2004 |
| Launch Stage 3 Somerset Direct services across all partners | September 2004 |
| Launch extended hours services as required | Autumn 2004 |
| Roll out face to face Somerset Direct in council information points, assisted centres and libraries | Winter 2004 |
| Pilot studies on face to face Somerset Direct for mobile officers, voluntary sector | Winter 2004 |