



EXECUTIVE

YOU ARE REQUESTED TO ATTEND A MEETING OF THE EXECUTIVE TO BE HELD IN THE PRINCIPAL COMMITTEE ROOM, THE DEANE HOUSE, BELVEDERE ROAD, TAUNTON ON WEDNESDAY 21ST SEPTEMBER 2005 AT 18:15.

AGENDA

1. Apologies
2. Public Question Time
3. Sale of Hamilton Road Public Conveniences
Joint Report of Financial Services Manager and Acting Head of Housing (enclosed)
4. Capital Strategy 2005 - 08
Report of Financial Services Manager (enclosed)
5. Asset Management Plan 2005 and Performance of the Property Portfolio
Report of Corporate Property Officer (enclosed)
6. Tender for Revenues and Benefits Software System
Report of Project Officer (enclosed)
7. Comprehensive Performance Assessment 2 (CPA2)
Value for Money and Use of Resources Self Assessments - Direction of Travel Assessments
Report of Strategic Director (SA) (enclosed).

The following items are likely to be considered after the exclusion of the press and public because of the likelihood that exempt information would otherwise be disclosed relating to the Clause set out below of Schedule 12A of the Local Government Act 1972.

8. Old Municipal Buildings - Invest to Save
Report of Head of Corporate Services (enclosed)
9. Proposed Acquisition of land leased to the Borough Council at Blackbrook, Taunton
Report of Chief Valuer (enclosed)

G P DYKE
Member Services Manager

The Deane House
Belvedere Road
TAUNTON
Somerset

TA1 1HE

13 September 2005



Members of the public are welcome to attend the meeting and listen to the discussion. Lift access to the main committee room on the first floor of the building is available from the main ground floor entrance. Toilet facilities, with wheelchair access, are also available. There is a time set aside at the beginning of the meeting to allow the public to ask questions



An induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter. If you require any further information, please contact Greg Dyke on:



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Website: www.tauntondeane.gov.uk (Council, Executive, Review Board & Review Panel Agenda, Reports and Minutes are available on the Website)

TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE 21 SEPTEMBER 2005

JOINT REPORT OF THE FINANCIAL SERVICES MANAGER AND THE ACTING HEAD OF HOUSING

This matter is the responsibility of Executive Councillors Garner and Edwards

SALE OF HAMILTON ROAD PUBLIC CONVENIENCES

Executive Summary

The Executive is asked to approve the sale of the Hamilton Road public conveniences to Knightstone Housing Association for social housing purposes.

1 Background

- 1.1 At the Executive meeting held on 9 March 2005 the report of the Waste Services Manager was agreed. One of the recommendations included within the report was the sale of the Hamilton Road public conveniences.
- 1.2 The site is suitable for development and draft plans have been produced that show that two semidetached houses could be built on the site. It was estimated that on the open market the sale of the site would generate a capital receipt of around £80,000 which would be wholly attributable to the General Fund. However this value assumed that part of the garden of a Council House in Lambrook Road would be included in the sale. This represents 30% of the value.

2 Proposed Use of the Site

- 2.1 Recently Officers have been having discussions with Knightstone Housing Association (KHA) who are keen to purchase the site for social housing purposes.
- 2.2 Ordinarily the sale of Housing land requires a proportion of the capital receipt to be "pooled" and paid back to the ODPM, however land which the Council designates as being for social housing purposes is exempt from any pooling liability. Therefore if the Council were to do this it would retain 100% of the capital receipt, part of which could be used to support future Housing capital schemes. The expected gain by not having to pay part of the capital receipt to ODPM would be £12,000, although this is based on an £80,000 value (£80k x 30% x 50%).

3 Financial Implications

- 3.1 In discussions with KHA they have indicated that they would be prepared to pay £35,000 for the whole site. Whilst this is below the original projected sale value mentioned in paragraph 1.2 above it is

thought by Officers that this represents a fair value for the site for its potential future use for social housing purposes only. The Council has the ability to sell land to Registered Social Landlords at less than open market value under powers conferred by the General Disposal Consent 92.5 under Section 25 of the Local Government Act 1998.

- 3.2 If the Executive were to agree to the sale of the whole site the capital receipt would be shared between the General Fund and the Housing Revenue Account capital resources as follows:

General Fund	£24,500
Housing Revenue Account	£10,500
Total	£35,000

Whilst this is less than expected for the General Fund it would represent a windfall for Housing capital resources and would also support one of the Council's key priorities, namely increasing affordable housing.

- 3.3 Should Members not agree to the sale, as outlined in 3.2 above, then in order to ensure that the opportunity for social housing on this site was not lost, the land could be "purchased" by Housing from the General Fund. Housing would have to find another £35,000 from capital reserves to purchase the site and subsidise the RSL. The Council's Valuer would accept £70,000 for the public conveniences element of the site, as there would be no advertising or auction costs involved.
- 3.4 The Officers recommendation below means that the Council receives:
- £35,000 from the Registered Social Landlord,
 - Saves £35,000 in grant to KHA (which can be used on another site),
 - Permanent nomination rights to the two houses.

This strategy supports one of the Council's overriding priorities – the provision of affordable housing.

- 3.5 If the site were sold privately the Council would gain £68,000 (£80,000 less £12,000 repayable to the ODPM) minus the costs of advertising/auction. In addition there would be no Council nomination rights. As mentioned in 3.3 above if Housing were to purchase the land from the General Fund for £70,000 (£80,000 less advertising/auction costs), the onward sale to the RSL would only gain the authority £35,000 plus nomination rights. However this would be to the detriment of the level of overall Housing capital resources.
- 3.6 If the sale was to proceed as outlined in 3.2 above, for the General Fund the overall level of unallocated capital resources would be £642k and for Housing they would be £385k.

4 Recommendations

4.1 The Executive is requested to approve the sale of this site and specifically:

- To rescind the previous decision to sell the site on the open market,
- To agree that the site is designated for social housing purposes,
- To agree to sell the whole site (Hamilton Road Conveniences and the parcel of land at Lambrook Road) to KHA for £35,000 in order to support the Council's social housing priorities under the usual provisions of the General Disposal Consent of section 25 of the Local Government Act 1998.

Background Papers: Executive 9 March 2005, Review of Public Conveniences

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TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE 21 SEPTEMBER 2005

REPORT OF THE FINANCIAL SERVICES MANAGER

This matter is the responsibility of Executive Councillor Williams
(Leader of the Council)

CAPITAL STRATEGY 2005-08

1 Executive Summary

- 1.1 Attached at Appendix A is the draft Capital Strategy for 2005-08. The Executive is invited to comment on the draft strategy before it goes to Full Council in October.

2 Introduction

- 2.1 The ODPM have removed the requirement for the Council to submit to Regional Government Offices the annual Capital Strategy and Asset Management Plan. However it is deemed to be good practice to continue to prepare an AMP and Capital Strategy annually. This is borne out by the Capital Strategy being seen as a key document in the new CPA Use of Resources self-assessment.
- 2.2 The Capital Strategy is a summary of the Council's approach to capital investment including:-
- Our aims for capital investment,
 - Development and ongoing management of the Capital Programme,
 - Partnership working on capital projects, and
 - Performance measurement.

3 Capital Strategy 2005-08

- 3.1 The revised draft Strategy for 2005-08 is attached at Appendix A. It has been updated from the last years version by taking recent updates provided by CIPFA on its ideal content and from other developments being undertaken by the Council.
- 3.2 The Review Board has already considered the draft strategy and they made no amendment to the document. The Executive is requested to note the Strategy and suggest amendments as appropriate.
- 3.3 After consideration by the Executive the Capital Strategy is programmed to go to the October Full Council meeting.

4 Recommendation

- 4.1 The Executive are requested to note the attached draft Capital Strategy for 2005-08 and to make comments on the content prior to submission to Full Council.

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TAUNTON DEANE BOROUGH COUNCIL CAPITAL STRATEGY 2005-2008

1 Content

1.1 This Capital Strategy demonstrates how Taunton Deane BC sets the direction of our capital spending plans and considers how we achieve the effective utilisation of our capital assets and resources.

1.2 The Strategy details our approach to the following areas:

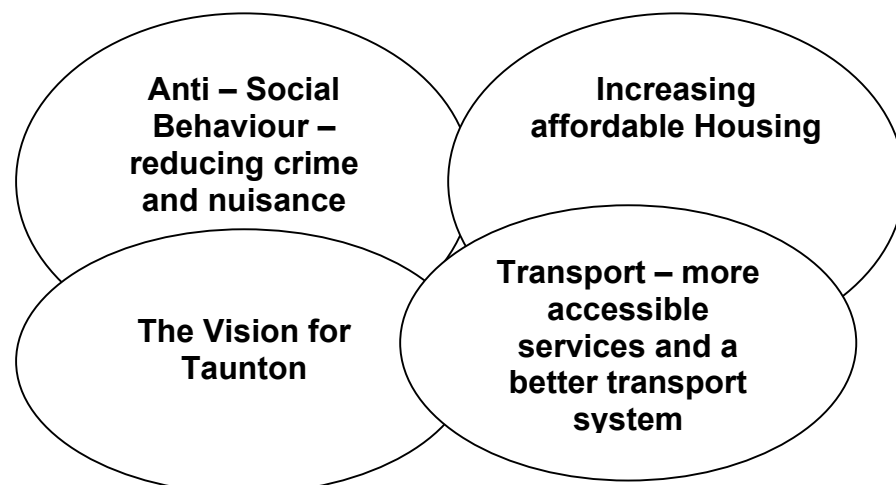
- Our strategic aims for capital investment,
- The identification of needs and our needs gap,
- Prioritisation of capital expenditure,
- The management and monitoring of the capital programme,
- How we review scheme outputs,
- The capital programme and the level of resources available,
- Our approach to procurement and partnership working,
- Links to other corporate plans.

2 Our strategic aims for capital investment

2.1 During 2004/05 the Authority profiled all of its services in line with its six main corporate priorities. This enabled investment to be focussed on high priority services. Our overall priorities are:

- Economy
- Transport and Access
- Crime
- Health
- Environment
- Delivery of services

Following on from these priorities the Council has set the following key actions as its goals for the medium term. These are:



2.2 Below are the actions from our Corporate Strategy 2005-2008 that show how we will use our capital resources to achieve these priorities:

Priority	Actions
The Vision for Taunton	<ul style="list-style-type: none"> • Maximisation of developer contributions • Reinvestment of capital receipts arising from land sales within the Vision Area. • Land holding review • Vision land strategy • Support the relocation and redevelopment of the existing livestock market site
Transport	<ul style="list-style-type: none"> • Provider of part-funding towards the Silk Mills package • Ongoing replacement programme for car park pay and display machines • Improvements to our car parks
Anti-Social Behaviour	<ul style="list-style-type: none"> • The refurbishment of derelict buildings • The sale of unwanted assets • Crime reduction measures within the Housing capital programme ie the provision of double glazing and security lighting • Purchase of a relocatable CCTV unit • The provision of facilities for young people ie skateboard park and new play equipment
Increasing Affordable Housing	<ul style="list-style-type: none"> • Provision of £850k each year towards grants to Registered Social Landlords • Identification of suitable sites for new social housing • Pursuing a stock transfer to a new social landlord thereby increasing investment and improving stock conditions overall

- 2.3 The table above details how four of our main priorities are being tackled through capital investment. However the remaining priorities of both the **environment** and the **delivery of services** is also being promoted, for example regarding the environment we provide significant funding to improve open spaces and leisure activities. Also the delivery of services is enhanced through significant capital investment in IT systems, which is in line with our customer access aspirations.

3 The identification of needs and our needs gap

- 3.1 The Council has found that, unsurprisingly, resources to meet our overall aspirations for the Borough and for our priorities in particular cannot wholly be met by the Council alone. Therefore as part of our role as an enabler and facilitator we will look to maximise external income from sources such as the Lottery, Central Government and from private developers via section 106 agreements and commuted sums in order to deliver our priorities. An example of where we have been successful in obtaining external funding is through the awarding of a grant by the DWP for a replacement Revenues and Benefits IT system. The Council has an Officer whose role entails seeking out new external funding opportunities to benefit the Council.
- 3.2 In addition we will look to make the most of partnerships including the private sector and both PFI and PPP finance will be considered should any suitable schemes be identified. An example where the private sector option is being explored is through the work being done to develop the ISIS project for corporate services.
- 3.3 The Council will consider the use of additional borrowing to help deliver key aspirations. However this will only be done in line with the principles of the Prudential Code, ie providing that such borrowing is prudent, affordable and sustainable. This will be key to delivering the Vision for Taunton. Where possible specific contributions from revenue will be made to fund one off and “invest to save” capital schemes and boost capital resources. We will also use consider whether the additional resources generated under the new LABGI scheme can be utilised to meet some of our economic development goals.
- 3.4 The Council has recently experienced a downturn in the number of Right to Buy (RTB) receipts generated through the sale of Council Houses. This could have a major impact on our Housing capital programme and therefore officers are reviewing the programme and ensuring that usable capital receipts are maximised by selling surplus property. These additional receipts and then targeted towards priority schemes such as increasing affordable housing. Documents such as the Asset Management Plan help to highlight problem areas where investment is necessary.

3.5 In addition the Council will, where appropriate, designate land areas for social housing purposes thereby maximising the capital receipt available for reinvestment.

3.6 Via the budget process and through ongoing budget monitoring the level of projected available capital resources is continuously reviewed by Officers. This ensures that resources can be matched to priority schemes.

4 Prioritisation of capital expenditure

4.1 Effective capital prioritisation will help ensure that scarce resources are targeted towards key schemes, which will deliver our priorities.

4.2 The Authority has in place an established system to enable Corporate Management Team and the Executive to prioritise bids for new capital schemes. This system is known locally as the Project Appraisal Report (PARs) system. The purpose of the PAR is to provide comprehensive information on each new scheme, thereby enabling informed choices to be made.

4.3 A PAR requires the following areas to be considered:

- Project Outline and Description,
- Category of Scheme (ie legal obligation, service necessity, service maintenance or service necessity),
- Establishment of Need – appropriate analysis of need and rationale,
- Fit with Corporate Priorities,
- Fit with Service planning objectives,
- Sustainability,
- Option appraisal – ie “do nothing”, full scheme, partial scheme, scheme provided by other agencies, scheme provided through partnership working,
- Risk identification,
- Overall project evaluation,
- Resource implications, capital and revenue, monetary and non-monetary,
- Timescale for implementation,
- Recommendations.

4.4 The Council is enhancing the PAR process through the development of a model that will score both financial (for example the impact on the Council’s Prudential Indicators) and non-financial factors when considering capital investment. The scores generated by the model will be used to decide which schemes are recommended for inclusion in the capital programme. We will review the PAR process to ensure that it fits with the principles of project management under the PRINCE2 methodology.

4.5 It is important that we do not forget the impact on the revenue budget of capital decisions, therefore the Council's Medium Term Financial Plan for both General Fund and Housing Revenue Account services includes specific details on the likely impact of the capital programme on the revenue budget.

4.6 At present priority is given to schemes which pay for themselves on a "invest to save" basis. For these schemes the annual revenue savings generated through capital investment are put back into unallocated capital resources, for example Crematorium improvements. In addition schemes that lever in external funding are also given priority. This is consistent with the principles outlined in the Council's Financial Strategy, which was approved in April 2004.

5 The management and monitoring of the capital programme

5.1 The capital programme is reviewed and reported to Members three times a year (along with all other budgets of the Council) to ensure not only spend against budget but also progress of each scheme against other non-financial aspects such as timetable and construction progress. The Council is in the process of expanding the existing monitoring group, which currently concentrates on the Housing Capital Programme (our largest area of capital spend), to include all services thereby improving the overall management of capital budgets across the Council. Factors, which will be looked at, include progress, spend against budget, VAT implications and the treasury management consequences of capital spending.

5.2 The process of strategic risk management is employed for high spend/risk/profile capital projects. Where applicable, multi discipline project teams are formed to manage these schemes and to report progress and risks to Corporate Management Team. Post project reviews are used to improve overall future project management techniques.

6 How do we review scheme outputs?

6.1 The monitoring of capital investment is achieved on several levels, namely:

- Corporate Management Team monitor the policy outcomes of capital expenditure,
- The Project Board who monitor progress on a variety of corporate projects across the Council. This group has been established in line with the principles of PRINCE2 project management.
- The Chief Financial Officer is responsible for the monitoring and management of both the capital programme and capital resources. This is done by the Financial Services Unit who report the outcomes to Heads of Service, Corporate Management Team and to Members.
- The Corporate Property Officer is responsible for the monitoring and management of the Asset Management Plan,

- Individual officers are nominated as lead on each specific scheme.
- Finance staff support service department officers with budget monitoring and financial advice.

7 The capital programme and the level of resources available

7.1 A summary of budgeted capital spending for the period 2004/05 to 2007/08 is shown below. For the first time this covers a period of four years for all services.

Portfolio	2004/05 £000	2005/06 £000	2006/07 £000	2007/08 £000	Total £000
Corporate Resources	692	425	65	65	1,247
Econ. Dev. Tourism & Council Businesses	1,231	1,097	0	0	2,328
Environmental Policy	795	811	61	0	1,667
Housing	7,995	6,958	6,125	6,125	27,203
Leisure, Arts & Culture	797	207	117	117	1,238
Planning & Transportation	644	45	20	20	729
Total	12,154	9,543	6,388	6,327	34,412

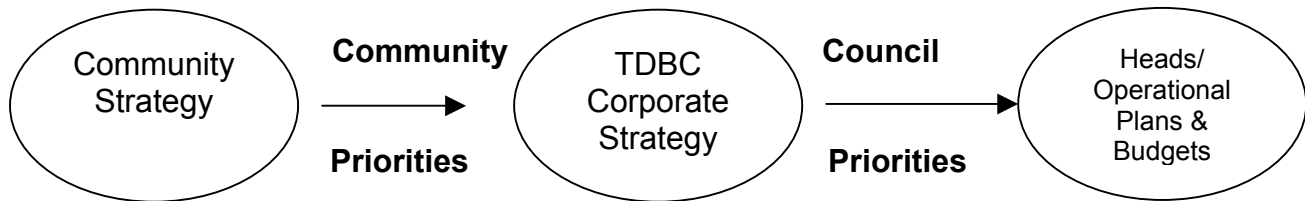
7.2 At present the General Fund has unallocated capital resources of £697k. For the Housing Revenue Account the level of unallocated resources is £375k but it is expected that this could drop due to the fall in RTB sales mentioned in paragraph 3.4 above. In order to ensure that our resources match our spending Officers are reviewing what schemes could be deferred and the options for financing the programme by generating other resources such as through additional contributions from the revenue budget.

8 Our approach to procurement and partnership working

8.1 The Council is currently reviewing its procurement processes to ensure that maximum value is obtained from all capital contracts. This will supplement the benefits obtained from our recently revised tendering procedures and contract standing orders.

8.2 Partnership working within capital schemes will be encouraged where added value and synergies can be achieved. We will work with partners to identify resourcing solutions and to determine priorities and innovative ways of procuring capital investment. We will, wherever possible, ensure that partnership working is achieved; this is to ensure that services are delivered to the public with more than just our own priorities in mind.

8.3 We are an active partner on the Local Strategic Partnership, which includes representatives from the voluntary sector, private sector and other public sector bodies such as the Health Authority. Our community strategy helps inform our corporate priorities, which ultimately shapes the way in which our services are delivered. This is shown below:



8.4 The table below demonstrates some of the newest schemes which were approved during the 2005/06 budget process which demonstrate partnership working:

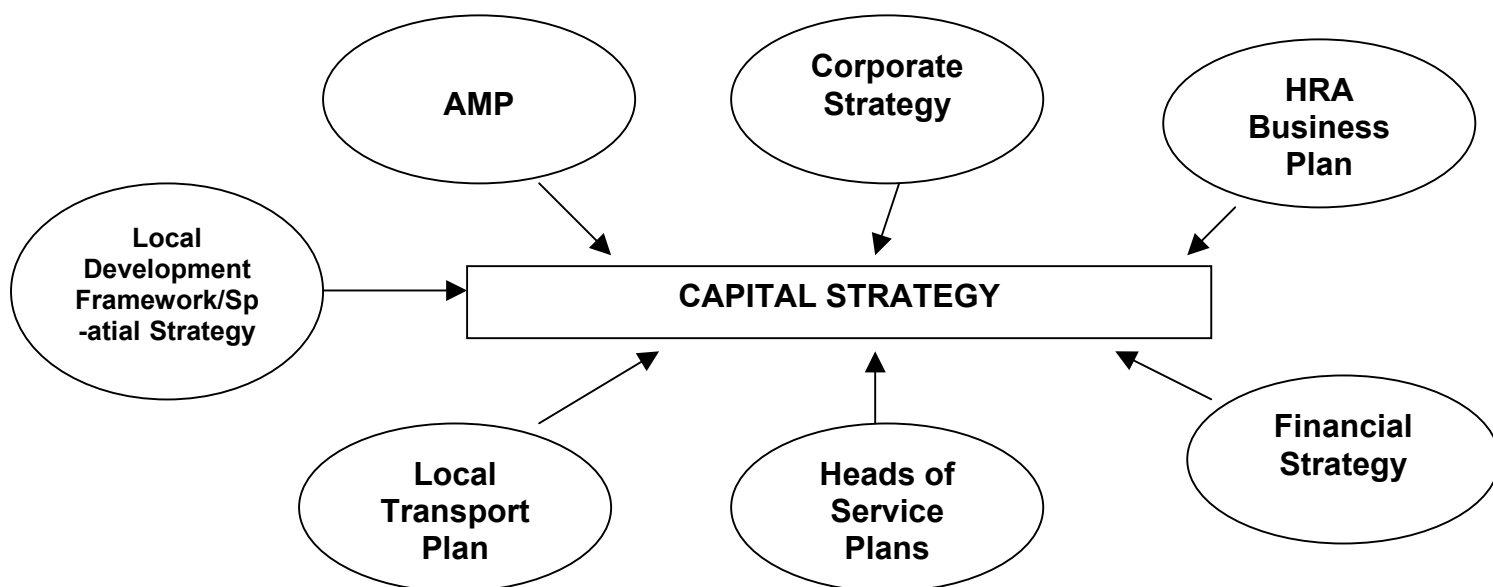
Capital Project	Other Partners
Contributions towards Social Housing Projects	Housing Corporation/ Registered Social Landlords/Private Developers
Tennis Centre Extension	LTA/ Local sports clubs/ Tone Leisure
Neroche Project	Lottery/ Forest Enterprise/ Wildlife Trust
Grants to Village Halls/ Play Equipment Grants	Parish Councils/ Local Village Hall & Playing Field Committees
Bridgwater & Taunton Canal	County Council/British Waterways

Further information on our key partnerships is shown in the Council's Performance Plan 2005-2008.

9 Links to other corporate plans

9.1 The Capital Strategy is informed by other plans and strategies that the Council has, it is consistent with those plans and its development depends on capital priorities being integrated into all that the Council does.

9.2 A summary of the key links to the Capital Strategy are shown below:



9.3 In particular the Asset Management Plan (AMP) provides the detail relating to how our assets are performing and how they have improved from year to year. The AMP should be read in conjunction with the Capital Strategy.

10 Our Strategy for Capital Investment – A Summary

10.1 The Council faces many challenges in the coming years, for our assets there are numerous aspects to consider. For example:

- The implications of a potential Housing Stock Transfer,
- The financial implications of the Disability Discrimination Act,
- The existing maintenance backlog facing our assets,
- Our customer access ambitions,
- The delivery of our key goal – the Vision for Taunton.

10.2 In the light of these challenges we need to ensure that our assets meet the needs of our existing profile of services. This will require disposing of surplus and poorly performing assets, maintaining and enhancing assets relating to high priority services and purchasing new landholdings to facilitate the Vision for Taunton.

10.3 In order to achieve this there are some key actions required:

- The land strategy relating to the Vision needs to be developed, together with the best vehicle for delivering this major project,
- We need to review our asset holdings, to generate resources and to focus spending on key areas,

- We need to consider the benefits of Prudential Borrowing to finance some of our aspirations, but be mindful of the cost implications and the need to provide services which provide value for money,
- To do this we will need a model to prioritise capital expenditure.

The Council recognises that this will take time to deliver but these actions will ensure that we have assets which match our reputation as an excellent Council.

11 Conclusion

- 11.1 Capital Investment is necessary to ensure that the Council can meet its overall priorities. However this can only be done in partnership with others and in a way that makes the most of limited resources. This will be achieved through the principles outlined in the Capital Strategy and in the actions detailed in other plans such as the Corporate Strategy.
- 11.2 The Capital Strategy will continue to develop over time in line with the Corporate Strategy.

TAUNTON DEANE BOROUGH COUNCIL

REPORT OF THE CORPORATE PROPERTY OFFICER TO THE EXECUTIVE – 21 SEPTEMBER 2005

This matter is the responsibility of Executive Councillor N Cavill

ASSET MANAGEMENT PLAN 2005 AND THE PERFORMANCE OF THE PROPERTY PORTFOLIO

EXECUTIVE SUMMARY

The Asset Management Plan (the AMP) for 2005/2006 has been completed.

The main thrust of the plan, as in the previous year, is geared to showing what has been achieved in the past and what is planned for the future. It also shows how those achievements have contributed to the Councils Corporate Priorities (although because much work is indirectly related to the provision of services it is difficult to be specific in many cases) and particularly the Vision for Taunton through the delivery of the Councils Capital Strategy.

Broadly speaking, although there have been numerous developments within the Council over the last year – restructuring, reorganisation and the introduction of initiatives - much has been achieved although in some cases not as originally planned.

There is one issue only briefly covered in this report and the AMP - the Councils future development programme. The AMP is primarily concerned with how the Councils assets are performing, how they can be improved / disposed of etc. Elsewhere within the Authority work is being undertaken with regard to its Local Development Framework. See also item 2.5 Delivery of Land holding etc.

The opportunity has also been taken in this report to include elements of work undertaken in compliance of the 1995 Disability Discrimination Act as it affects the physical elements of the Council's buildings.

The AMP must be read in conjunction with the Councils Capital Strategy

This report was submitted to the Review Board on 8 September 2005. Recommendations have been incorporated.

Contents:-

1. Introduction
2. Information contained in 2005/6 AMP
 - 2.1 Condition of TDBC property
 - 2.2 Maintenance backlog
 - 2.3 Poorest performing properties identified in 2004 AMP together with actions taken.

- 2.4 Items identified since 2004AMP including Disability issues and action taken
- 2.5 The AMP tasks for 2005/6
- 2.6 Investment Indicators
- 2.7 National Indicators
- 2.8 Local Indicators

The opportunity has been taken to include two further tables not used previously in order to give Members an overview of properties disposed of and acquired since the commencement of the AMP process. Monies obtained have been used to support the Councils Corporate Priorities in assisting with help to fund the Capital programme.

- 2.9 Properties disposed of since 2001 AMP
- 2.10 Properties acquired since 2001 AMP
- 3. Impact on Corporate Priorities
- 4. Conclusion
- 5. Recommendation
- 1. **Introduction**
 - 1.1 The AMP group was formed in 2000 under the responsibility of the Executive Portfolio Holder for Economic Development and the Corporate Property Officer, following directives from central government. All Local Authorities were required to produce AMPs for submission to Government in 2001
 - 1.2 Following a “poor” assessment in 2001, the 2002 AMP submission was awarded a “good” rating. Not only did this give Taunton Deane an extra £50,000 in capital spending approvals but it further meant that Taunton Deane was not required to submit any further AMPs to Central Government.
 - 1.3 Taunton Deane has continued to regularly update its AMP to suit the Council’s wishes and priorities.
 - 1.4 As alluded to earlier, those sections within the Council undertaking property management functions have been restructured and brought together as one team – Property Services. The Report by the Strategic Director on the restructure was submitted to and approved by the Executive on 24 May 2005. The new group now exists comprising a facilities Team, Maintenance and Design Team and an Asset Holdings Team. The Geographical Information Service Team has also joined the group. The group has the responsibility of producing the AMP and ensuring the Council’s assets are properly maintained and wishes of Members are carried out.
 - 1.5 This report follows a similar format as the 2004 report in that it contains a resume of the information contained in the AMP. The AMP details how we are performing in

terms of asset maintenance etc. This provides details to the broader strategy contained within the Capital Strategy.

2. Information contained within the 2005/6 AMP

2.1 Condition of property

2.1.1 As at 1 April 2005 the Council's General Fund non housing assets were valued at £51,204,650. The vast majority of property is in generally good condition.

The Council's built assets comprise:-

5 leisure facilities (recreation/swimming)
 27 car parks
 22 public conveniences (In 2004 there were 26 such properties)
 5 cemeteries
 60 commercial premises, of which one is the Livestock Market
 8 council buildings for service delivery
 Various other assets e.g. golf course, parks etc.

2.1.2 In line with previous reports properties are put into one of four categories:-

(A) Performing well
 (B) Performing as intended but with minor defects
 (C) Showing major defects/not operating as intended; and
 (D) Life expired and serious risk of failure.

The table below gives details of current and past performance

	2002/3		2003/4		2004/5		2005/6
	Target %	Actual %	Target %	Actual %	Target %	Actual %	Target %
A	39	38	42	41	42	45	44
B	55	54	54	52	54	52	56
C	6	6	4	5	4	3	0
D	0	2	0	0	0	0	0

2.1.3 97% of the Council's built assets are performing well or as intended but with minor defects. This compares well with the 93% recorded in 2003/4 and 92% in 2002/3.

2.1.4 In 2005 three of the Council's parks obtained the "Green Flag Award", a Government initiative on quality standards for parks management including maintenance.

2.2 Maintenance Backlog

2.2.1 The AMP process identifies areas of priority for planned maintenance work. The Planned maintenance backlog is identified as £3.945m. This is a decrease of £634,000 from the £4.578m reported for last year.

2.2.2 This significant deficit has been highlighted in earlier AMPs. The amount allocated in the 2005/6 budget for maintenance priorities was only £130k. Additional monies have been allocated to Tone Leisure primarily to meet essential work on the Council's leisure buildings. This money, approximately £227,000 has been obtained from savings on VAT and the National Non Domestic Rates.

2.2.3 The 2004 AMP Report identified requirements to overcome this problem of backlog. Some proposals were rejected. Those where action was required are identified in the following table. Where proposals were rejected in the previous AMP they have not been included.

Proposal	Progress	Comment
A	The identification of a rolling budget/programme for 2005/6 to address the backlog over a five year period	TDBC is now in the final year of the five year plan. In 2005/6 this needs to be readdressed in the forth coming year
B (previously D in the 2004 AMP)	Aspirations for investment are to be targeted towards the poorest condition properties	Limited investment money is still being targeted towards Leisure facilities. Poorly performing public conveniences have been/ are being demolished. Money is being directed to those properties in Category C – not operating as intended. There are no properties in category D
C (previously E in the 2004 AMP)	Investment of any savings from the Leisure Trust to be invested in the maintenance of Leisure Facilities	In 2004/5 the Leisure Trust contributed £14k approximately to maintenance actions. It is anticipated that in 2005/6 this figure will be in the region of £60k
D (previously F in 2004 AMP)	Investment in Assets likely to remain part of the Councils portfolio in the long term	As stated in the 2004 AMP those properties likely to be adversely affected by the Vision will only have minimal investment to ensure compliance with health and safety.
E (previously G in the 2004 AMP)	Removing some of our poorest performing properties	This is constantly being investigated. See 2.3 below.

2.3 Poorest performing properties identified in the 2004AMP

2.3.1 The 2004 AMP (items 2.3.1) listed poorest performing properties with proposals for actions. This is updated in the attached table.

Property	Proposal	Update
Scotts Lane Garages	Demolish followed by development of one property	Due to the possible dispute over land it is not possible to develop. Garages now sold – see table 2.9
Blackdown Business Park, Wellington	Demolish redundant unit 1 followed by redevelopment	Unit 1 now demolished. Planning permission obtained to provide starter industrial units. <ul style="list-style-type: none"> • Design work is proceeding <p>Officers are also looking at the possibility of a refurbishment of the whole estate</p>
Frobisher Way, Bindon Road	Development	Planning permission obtained for Industrial units. Agreement reached on way forward. Legal action on existing tenant for possession of the land has commenced. Land to be subject to Informal tender with successful developer providing industrial starter units for TDBC in return for adjacent development land and modest capital receipt for the Council.
Public Conveniences	Review of use to be undertaken	The Council's Waste Manager has completed his review. The following are the main points in relation to built assets:- <ul style="list-style-type: none"> • Demolition of building at Priorswood • Alteration of Community Centre – Priorswood Shops - to provide toilet facilities • Provision of new golf pavilion at Vivary Park (to commence Sept 05 with a completion in Dec 05) containing new toilet facilities • Kingston Road public convenience to be demolished and area landscaped (not suitable for any alternative use) • Public convenience at Tancred Street to be demolished and land sold for housing (Note: that land to the rear of the toilet block is the subject of a further land scale) • Public convenience at Hamilton Road to be demolished with possible development of two dwellings.

		<ul style="list-style-type: none"> Demolition of existing facilities at North Street Car Park, Wellington – and the erection of new purpose built accommodation
Nursery, Mount Street	Review to be undertaken to maximise the sites potential	Ongoing. Housing development proposals drawn and submitted for outline planning consent. An alternative site for this facility is being considered elsewhere.
Paul Street Multi Storey Car Park	Works required to comply with health and safety	Structural consultants have submitted various proposals to strengthen balustrading. Decision awaited. Security fencing erected. Lifespan of the building is suspect due to Vision proposals – hence difficulty in deciding the most appropriate Health and Safety measures to be used. Structure to be monitored.
High Street Car Park	Possible resurfacing	Resurfacing not required. Monies to be transferred to pay for Paul Street Car Park balustrading.
Old Municipal Buildings	Action required on Disability and Fire Safety issues. Alternative uses to be pursued	There is a high expectation that the building will be leased to SCC for use by the County Council Registrar. Consultations with SCC are reaching a conclusion. Monies required for necessary work which are TDBC's responsibility are available from the DDA budget.
Leisure Services	Forward Planning as to future service provision required	Ongoing

2.4 Items identified since 2004AMP including some Disability Issues

The following table identifies current proposals and actions already being undertaken or as are required in the foreseeable future. This includes actions required as a result of DDA legislation. (note The DDA strategy, as it effects property is the subject of a report submitted to Members in October 2004. This work is planned over a three year period – should money be available)

Property	Proposal/Action
28 – 30 Fore Street Wellington	An investigation is underway to establish the implications of the DDA on the building and its future use.
The Deane House	Due to housing restructure internal room layouts are being altered to produce more open plan offices and to maximise space usage – i.e part of a space audit. Reception Counter to be altered to comply with DDA requirements. DDA compliant toilet to be provided in Reception Feasibility study underway re the Bunker – development with additional office accommodation/provision for cycles etc.

Flook House	Possible relocation of staff to Deane House vacating offices. This would leave Flook House available for let at commercial rates or put to other (administrative) use as Members wish and in accordance with the Corporate Priorities
Wellington Leisure Centre	Installation of DDA compliant counter
The Gazebo Wellington	This building is currently not in use. It is difficult to let and use because of its small size and DDA accessibility.
Crematorium	New extension to increase the size of the waiting room/alteration work ensuring compliance with DDA legislation nearing completion Lighting to car park still to commence Some external work required to steps re DDA.
St James Street Baths	Refurbishment of seating and alterations to balustrading has been carried out as a result of a recent Health and Safety inspection
Wellington Sports Centre	Installation of air conditioning and suspended ceiling to the upper hall
Taunton High Street	General improvement works to pedestrian area plus the installation of a "pop up" toilet facility.
Market House	Fire precaution works to commence in Oct 05. Negotiations are proceeding slowly with the leaseholders in an attempt to provide DDA access into the public house. Listed building consent/ planning consent now received.
Wellington Park	Environmental drainage works to commence Sept 05
The Bike Park	Negotiations under way with the adjacent Health Centre to extend the property, which has been unoccupied for some time

2.5 Additional actions programmed for 2005/6 combining the 10 point Action Plan (2002–2005) – Section 7 of the 2004 AMP. Reference numbers refer to relevant point on the Action Plan.

Property/Task	Action	Target Date
All TDBC property	A complete re-appraisal of the Corporate Asbestos Register. Actions to include type 2 surveys, and management programmes (Ref 1) Nov 2006	Nov 06
All TDBC Property	A reappraisal of the Legionella monitoring system Oct 2006 (Ref 1)	Oct 06

All TDBC Property	A Strategy for Contaminated Land was produced in 2001. It is progressing well in line with the agreed time scale (Ref 1)	Ongoing
St James Street Baths	Investigation of mechanical plant. Provision of additional security features	Oct 05 Dec 05
Disability Discrimination Work	Completion of at least 30% of DDA works to the Council's Corporate buildings in accordance with the DDA strategy reported to Members in October 2004	Mar 06
Asset Register	There is a need to integrate current information on our assets. We hope to procure a new financial system as part of the ISIS programme which will include an Asset Register module.	Dec 06
Land registration	To assist legal section in identifying title deeds re:- TDBC land holdings. (First Stage). Note – it is financially beneficial for the Council to take advantage of an offer made by the Land Registry – of £7.50 an “extent” to proceed with this work in the foreseeable future	Dec 05
Space Audit.	This is currently underway with and being actioned within the physical reorganisation of staff/offices.(Ref 2)	Ongoing
Integration of GIS, Asset Holdings and Maintenance and Design Teams into a well focused efficient Property unit	New group formally formed in August 2005.	Aug 05
Leisure Trust	Working relations between TDBC and Trust now formed and working well. Investigation of energy efficiency measures required to the Wellsprings Centre	Ongoing
Investigation with other similar sized authorities re benchmarking	Contact with CIPFA family groupings	Mar 06
Avimo (now Thales) site at Lisieux Way, Taunton	Investigation required as to whether to retain or sell freehold interest subject to Avimo's existing long term lease	Mar 06

Priory Way Industrial Estate, Taunton	Complete programme of repairs to ensure compliance with the terms of the Council's Head Lease. Consideration to be given as to whether the Council should renew its lease should the option be made available.	Ongoing to July 07 when current lease expires
Local Performance Indicators	Develop meaningful indicators. Although satisfaction surveys have been carried out with the tenants of commercial properties this will be developed further following the analysis of results.	Ongoing but by Mar 06
Delivery of a land holding strategy required to deliver both the Vision and Housing Stock Transfer projects	David Thompson (Chief Valuer) has been seconded to work full time on both projects	Strategy to be completed by Mar 07
Leisure Pavilions	Ongoing investigations to add to/replace time expired small changing rooms/pavilions	
National Skateboard Park	Investigation required to ascertain the viability of a park on land at Lisieux Way	

2.6 Investment Indicators

2.6.1 Overall average internal rate of return (IRR) for industrial and retail investment property

Category	IRR	Target 2002/3 %	Actual 2002/3 %	Target 2003/4 %	Actual 2003/4 %	Target 2004/5 %	Actual 2004/5 %	2005/6 Target %
Industrial		17	16.65	15	14.67	14.0	10.95	11.0
Retail		17	16.57	15	13.8	13.5	13	13.5

Comment on performance

The above figures/returns have been influenced by the disposal of the Creech Paper Mills Industrial Site and the reduced lettings capability of the Blackdown Business Park, Wellington.

IRR's have been subject to a downward trend due to prevailing relative low investment yields for these types of property coupled with low levels of rental growth. Shops tend to occupy tertiary locations and the industrial units are rather sub – standard.

2.7 **National Indicators** (Much accurate information is missing at the present time but it is intended to rectify this position as time permits).

National Indicators	Indicator	Target 2004/2005	Actual 2004/2005	Target 2005/06
1. (a) % Gross internal floor space in condition categories A-D	<u>Category</u> A Good – performing as intended and operating efficiently	A 42	45	44
	B Satisfactory Performing as intended but exhibiting minor deterioration	B 54	52	56
	C Poor Exhibiting major defects and not operating as intended	C 4	3	0
	D Bad Life expired and/or serious risk of imminent failure	D 0	0	0
1 (b) Backlog of maintenance in priority categories 1-4	<u>Priority Level</u>	<u>Target as %</u>		<u>Target as %</u>
	1	0	0	0
	2	2	1	0
	3	61	62	64
	4	37	37	36
		100	100	100
2 Overall average internal rate of return (AIRR) for industrial and retail investment properties	<u>Category</u> Industrial	14%	10.95%	11%
	Retail	13.5%	13%	13.5%

3 (a)/(b) Total management costs per square metre (sqm) for operational (a) and non-operational property (b)	A Indicator definition of maintenance costs charged for this year B Note a new Property Services Group has now been formed	(a) £0.7 (b) £0.2	(a) £0.69 (b) £0.28	£0.68 £0.19
4 (a) Repair and maintenance costs per square metre (sqm) for operational buildings including fees)		£18.50	£10.86	£10.86
4 (b) Energy costs per square metre (sqm) for operational buildings (gas and electricity)	Average		£3.14	£3.00
4 (c) Water costs per square metre (sqm) for operational buildings	Max Average Min	£145/m sq £20-£30 msq £0.30/m sq	£6.77m/sq £3.21m/sq 53p m/sq	£142/m sq £18/m sq £0.28/m sq
4 (d) CO ² emissions in tonnes of carbon dioxide per square metre (sqm) for operational buildings	Max Average Minimum	160kg/m sq 60kg/m sq 0kg/m sq	159kg/msq 59kg/msq 0kg/msq	158kg/m sq 58kg/m sq 0kg/m sq
5 (a) % of projects where outturn falls within 5% of the estimated outturn expressed as a % of the total number of projects completed in the financial year	100%	100%	100%	100%
5 (b) % of projects falling within +5% of the estimated timescale,	100%	100%	100%	100%

expressed as a % of the total number of projects completed in the financial year				
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2.8 Local Indicators

1 Number of units void as a % of investment properties	Industrial Retail	6% 13%	0% 6.25%	.58% 12.5%	.56% 12%
2 % of rent arrears as a proportion of annual rent income for commercial property		15%	Approx 13%	14%	13%
3 (a) % of maintenance spend against total revenue budget		20%	11.19%	19%	18%
3 (b) % of maintenance spend against total capital value of assets		5%	4.38%	4.9%	4.8%

2.9 Properties disposed of since 2001 AMP

12 Middle street Taunton. This old office complex was disposed of in 2002 for £190,000 (Money used to support existing Capital Programme)	Property did not fulfil any corporate priority and produced a low rate of return
Creech Paper Mills, Creech St Michael. This Victorian paper mill building was disposed of in 2003 for £315,000 (Money used to support Capital programme)	A poor performing asset in terms of rent return and condition
Bedford House, Park Street Taunton. Office accommodation on a 999 year lease was sold in February 2005 for £765,000 (Money used to support Capital programme)	Property did not fulfil any Corporate Priority
Land at Upper High Street, Taunton	This land with planning consent for six dwellings was sold in January 2005 for £275,000. Property did not fulfil any Corporate Priority. Poor performing asset in terms of rent return

Garages at Scotts Lane, Wellington	Land and garages sold for £40,000. Property did not fulfil any Corporate Priority. Poor performing asset in terms of rent return
Land at Tancred Street, Taunton	Land sold subject to contract for £100,000. An opportunity was taken to realise development value of surplus Council land in conjunction with neighbouring landowners
Broadgauge Business Park, Bishops Lydeard	Remaining plot of this Economic Development Enabling Scheme has now been sold for £71,750 of which the Councils share of this jointly funded scheme amounted to £26,834.
Fire Station Site, Lisieux Way, Taunton	Land sold to SCC for Fire Station extension for £40,000. Land surplus to requirements
Sale of land at Hillsmoor, Wiveliscombe	Following negotiated terms, approximately four acres (of which 50% is developable) has been submitted for planning approval. Once approved could provide a capital receipt of approximately £125,000 to TDBC

2.10 Properties acquired since 2001 AMP

Land at the Piggeries, Firepool. Derelict, dangerous and asbestos contaminated land was purchased by the Council. This land has now been reinstated as usable public open space

3. Impact on Corporate Priorities

3.1 Ref Corporate Strategy and Performance Plan 2005-2008

Corporate Priority Ref	Objective	Action	Progress
Economy Ref Ec2	Develop key sites to bring about the Vision for Taunton	Relocate Livestock Market	Ongoing
Environment Ref En2	Protecting and enhancing the quality of the	Agree Norton Fitzwarren Flood Alleviation Scheme	Sept 06 Matters progressing well

	physical environment	with developers	
	Achieve Green Flag Award for public open space for three parks	Objective achieved	
	Improve facility provision on three other public open spaces per year. All works ongoing – Victoria Park, French Weir, Greenway Road, Taunton plus various play areas	Ongoing	

Although not listed in the Corporate Strategy the proposed starter/industrial sites at Frobisher Way, Taunton and the redevelopment of Unit 1 Blackdown Business Park, Wellington also contribute to the economy of the region.

4. Conclusion

- 4.1 It can clearly be seen that since the start of the AMP process much has been achieved. Much is also planned for the future although with the possibility of another reorganisation concerning the Councils involvement with a private partner in a Joint Venture Company it is difficult to plan accurately.
- 4.2 However, with the broad principle of disposing of assets that are poor, inefficient or do not add to the Corporate Priorities and putting money into those elements that are required either by legislation (DDA, Asbestos Legionella, Contaminated land) or that contribute to greater efficiencies (ie, in space standards, use of energy) this Authority is achieving good value from its assets.
- 4.3 Although the Council has a good record of maintaining its properties they are deteriorating due to lack of investment. It is essential, therefore, that money is forthcoming in the next years budget (and in future years) to overcome the backlog of maintenance repairs that currently exist .
- 4.4 The planned priorities for 2005/6 are as follows. Wellington Sports Centre – Upper hall ventilation system, Wellington Sports Centre – Fire precaution works, Blackbrook Pavilion – works to Ladies changing area, Market House - external repairs and decoration, Market House – Fire precaution works, Wellington office external repairs and decorations, Wellington Park – environmental drainage works, Multi storey Car Park – necessary works only to lifts. The above programme may need adjustment. This will depend on any emergency works /repairs that become necessary.
- 4.5 This report has already been considered by the Corporate Management Team and subject to the comments of the Review Board will be submitted to the Executive on 21 September 2005 for approval.

5. **Recommendation**

5.1 It is recommended that the contents of the report be noted.

Background Papers -
Asset Management Plan 2004
Report of the Strategic Director to the Executive 24.05.05
Waste Managers Report
Disability Discrimination Act Strategy Report to Executive October 2004

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TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE - 21 SEPTEMBER 2005

Report of Project Manager (Paul Harding)

ACCEPTANCE OF A TENDER FOR REVENUES AND BENEFITS SOFTWARE

This matter is the responsibility of Executive Councillor T Hall (Portfolio Holder for Resources)

EXECUTIVE SUMMARY

This report details the outcome of the procurement exercise undertaken to buy a new suite of Revenues & Benefits software to replace the present in-house systems.

The purpose of the report is to gain approval to accept the tender submitted by International Business Systems (Public Services) Ltd, and to proceed with the implementation of the proposed software solution at a capital cost to the Council of £358K.

Corporate Priorities: Delivery

1. BACKGROUND

- 1.1. The 2003 Revenues & Benefits Best Value Review identified the need to upgrade the existing suite of software, if we were to continue to provide efficient and responsive Revenues & Benefits services, and were to reduce the Council's exposure to risk in these areas of its business.
- 1.2. Currently a few key staff within the Council's IT section hold most of the knowledge regarding programming the in-house Revenues and Benefits software. This carries a significant risk for business continuity should they leave the Council's employment. The Council could transfer this risk by using software from an external provider.
- 1.3. Legislative changes prove labour-intensive for senior Revenues and Benefits staff. They are relied on to interpret the legislation, specify changes to the in-house software and are then responsible for testing those changes. This leaves the Council open to direct challenge and possibly compensation or subsidy claw back if the interpretation or programming is wrong. The Council could transfer this risk by using externally provided Revenues & Benefits software.
- 1.4. The manual intervention needed to complete the Benefits subsidy claim is extensive and there is only one officer who knows fully how to manipulate the system and reports to complete it accurately. If that officer were to leave or go on long-term sick this would pose serious financial risks for the Council. Our

Benefits subsidy claim for 2004/2005 was more than £22m. Software from an external provider, which makes calculating subsidy far more straightforward and offers the ability for a greater number of staff to be able to complete the return, would substantially mitigate this risk.

- 1.5. Currently all software training for new Revenues and Benefits staff falls on a few Senior Revenues and Benefits officers and takes those staff away from their other daily responsibilities, often for significant periods of time. If software from an external supplier were used, the opportunity would exist to have training delivered externally. This could be by the software supplier themselves or one of several training companies that deliver training in the use of all the commercially available Revenues and Benefits software.
- 1.6. In December 2004 the Revenues & Benefits units presented a Project Approval Report (PAR) seeking agreement to pursue a project to replace the existing suite of Revenues and Benefits software.
- 1.7. The viability of the project rested on the Benefits Unit gaining Performance Standards Funding from the DWP. This funding would help meet the cost of buying new Benefits software, document management software, the associated hardware as well as data conversion and implementation consultancy.
- 1.8. The DWP set up the Performance Standards Fund (PSF) to help Local Authorities tackle barriers to improved Benefits performance. So far the DWP have awarded over £150m to Local Authorities. In return for this investment, the DWP expect authorities to improve their performance by at least 10% across each of the key Benefits performance standards.
- 1.9. PSF grants require the Local Authority to match fund one-third of the costs of new Benefits software, hardware and consultancy. The grants do not extend to Revenues software or consultancy, which the Council would have to fund in full. An *estimate* of £260,000 was given within the PAR as the Council's likely capital contribution toward this project. This assumed the Benefits elements of this project would cost around £600k and a further £60k for the Revenues elements.
- 1.10. In February 2005 the Council's Benefits Unit were successful in attracting £400k Performance Standards Funding from the DWP. Again, this was on the basis that we envisaged the Benefits element of the project would cost £600k of which the Council would have to meet 1/3.
- 1.11. The DWP funding was conditional on the Council implementing the new software by 31st March 2006. This key date was at the forefront of our project planning.
- 1.12. The DWP will pay the grant in three stages as follows;
 - (a) Stage 1 – The DWP evaluated projects at pre-tender stage. They did this at a high level, as inevitably most of the details were not known. At that stage the DWP released 20% of the funding awarded. This amounted to £80k. This allowed us to begin the project.

- (b) Stage 2 - The Performance Standards Panel will reconsider the bid based on a progress report at the end of the selection process. If everything is still going to plan, they will release a further 40% of funding (£160k). Progress reports are considered monthly by the DWP although we understand there is presently a backlog of such reports at the DWP that are awaiting consideration.
- (c) Stage 3 - The final stage will be an evaluation of the implementation, and assessment of the detailed costs of the project. The DWP will release the remaining 40% (£160k) of the award after this stage.

2. PROCUREMENT PROCESS

- 2.1. Due to the value of the procurement, it was necessary to source the software by one of the routes specified by the European Union.
- 2.2. Envisaging a manageable number of tenders, for what are very specialised areas of work, the 'open' route was followed.
- 2.3. Invitation to Tenders were requested by 22 organisations. 2 tenders were received by the closing date of 25th July 2005. One of these was from International Business Systems Ltd (Public Services Ltd) (IBS) the other was from another well-known and experienced supplier of Revenues & Benefits software.
- 2.4. These tenders were evaluated on the basis of the most economically advantageous to the Council, rather than simply on the basis of lowest price.
- 2.5. A core team of officers including; the Benefits Unit Manager, the Revenues Unit Manager, the Project Manager for this procurement and the Principal Benefits Officer performed the evaluation with invaluable input from the Council's audit and IT staff.
- 2.6. The evaluation team took up references at sites using software from these suppliers, attended supplier demonstrations and visited other Council's to see the proposed software in operation
- 2.7. The evaluation matrix is shown below;

	IBS	Tender B
POINTS AWARDED		
For price – (over 5 years)	417	294
Written Proposal		
Supplier Demonstration		
Site Visits		

3. CONCLUSION

- 3.1. After following a methodical and objective approach to evaluation, it was the unanimous decision of the evaluation team and project board, the proposal put forward by IBS represented the best value for money in terms of price and in meeting our business needs. Of the future system users, who saw both of the systems in operation, all favoured the system offered by IBS as the most logical and user-friendly.
- 3.2. There are 65 Local Authorities using the latest Windows version of IBS's Revenues and Benefits system that is proposed for Taunton Deane Borough Council. These Councils are spread throughout the Country and, within the West of England, include two Authorities in Devon, two in Gloucester and one in Dorset.
- 3.3. The proposed solution puts forwards several major business Benefits over the present in-house system which include:
 - i. Providing an efficient and commercially attractive platform, which will better support the strategic positioning of the Revenues & Benefits Units within the Joint Venture Partnership than the present in-house system.
 - ii. Substantially reduces the Councils exposure to risk, as outlined in 1.2 to 1.4.
 - iii. Will greatly help improve our collection of overpaid Housing Benefit. Historically an area of weakness. This has implications for the Council gaining financial rewards from the DWP.
 - iv. Will improve customer access to our services through the availability of an increased range of electronic services, including on-line account look-upon and form completion.
 - v. Will increase access to high-quality management information to help managers ensure the most efficient use of resources and to aid them in completing an ever-more-complex range of statistical returns.
 - vi. Automation of several fully, or substantially, manual processes, improving efficiency and reducing error. Reducing errors made by Benefits staff has direct implications for the amount of Benefit subsidy the Council receives. Of course this also has customer service implications.
- 3.4. The full capital cost of this project, including the purchase of new hardware with which to support the new software and the cost of the Council's staff who will be involved in the implementation, is projected to be £758K.
- 3.5. The Council will be required to make a financial contribution toward this cost of £358K. The remaining £400K will be met by the DWP.
- 3.6. The Council's contribution is £98K higher than the estimate contained within PAR of December 2004. This is substantially due to the Revenues elements of the procurement being higher than was anticipated. With a competitive tendering exercise it is of course very difficult to predict the value of the tenders that will be submitted. This is something that is subject to market forces and will be influenced by many factors such as the number of system users, the timescale for the implementation as well as the software system presently used

by the Council. No two authorities are identical and consequently, when attempting to estimate the eventual cost of this project, there were few directly comparable procurements on which it could be based.

- 3.7. The project board fully realises the financial pressures under which the Council is operating. It recognises the need to fully explore ways of meeting the capital shortfall from within existing budgets before considering asking Full Council to agree to a supplementary estimate from General Fund reserves.
- 3.8. I am pleased to report that the full £98K has been identified within the 2005/2006 budget for the Benefits Unit and from surplus reserves and provisions. A significant portion of this sum relates to two current staff vacancies within the Benefits unit, which will not be filled should implementation of the proposed new system take place.
- 3.9. Using an external system also gives rise to additional revenues expenditure in the form of an annual maintenance charge. This charge ensures the software is kept up-to-date with legislative changes and other areas of added functionality can be developed. It is not presently clear how the Revenues and Benefits units will fund the year 1 charge from within existing resources; this is currently being examined. However, from year 2 onwards this will be funded from within existing staff resources.
- 3.10. Obtaining such a leading-edge solution, at a direct capital cost to the Council of less than 50% of the total cost of its implementation, represents real value for money to the Council Taxpayers of Taunton Deane.

4. RECOMMENDATIONS

The Executive is requested to: -

- 4.1. Accept the tender from IBS to supply this software and to maintain it for a 5-year period, subject to contract.
- 4.2. Authorise the capital expenditure detailed above.

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Background Papers:

General Fund Capital Estimates- Executive Feb 2005

TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE 21st SEPTEMBER 2005

REPORT OF THE STRATEGIC DIRECTOR (SA)

This matter is the responsibility of Councillor Williams (Leader of the Council)

COMPREHENSIVE PERFORMANCE ASSESSMENT 2 (CPA2) VALUE FOR MONEY & USE OF RESOURCES SELF-ASSESSMENTS DIRECTION OF TRAVEL ASSESSMENT

Executive Summary

Although the full requirements of CPA2 have yet to be decided for District Councils, there are three self-assessments that must be completed during autumn 2005:-

- Value for Money Self-Assessment
- Use of Resources Self-Assessment
- Direction of Travel Assessment

This report provides the Executive with an overview of the requirements, and details how this piece of work is being delivered. This has been shared with the Review Board earlier in September 2005.

The actual self-assessments are still being prepared - a verbal update on the very latest version will be provided at the meeting.

1. Purpose of Report

1.1 To inform Members of:-

- the requirements of CPA2 (VFM Self Assessment and UOR Self Assessment elements, and the Corporate Direction of Travel Assessment); and
- the progress being made at TDBC on both issues; and
- to share at the meeting, the latest version of the self-assessments.

2. Requirements of CPA2

2.1 The overall framework for CPA2 for District Councils has just been published. Members will be briefed on this consultation paper as soon as it has been reviewed.

2.2 Meantime, there are a three "elements" of the CPA2 assessment that Districts are required to complete over the autumn. Two focus on the key areas of financial management (Value for Money (VFM) Self-Assessment and Use of Resources Self- Assessment) and have to be submitted by the end of September, and the third is a Direction of Travel Assessment that has to be submitted by the end of October.

2.3 This report provides an overview for Members of the Executive of these elements and the work that is underway to complete them by the

deadlines. The actual self-assessments are, and will be until very late in the process, under construction. The latest version will be shared at the meeting in September.

- 2.4 Further details are available on the audit commission website
www.audit-commission.gov.uk

3. Requirements of CPA2 (VFM Self-Assessment)

- 3.1 All Councils are required to complete a self-assessment of their performance in relation to the value for money key lines of enquiry (KLOEs). The audit commission have provided a pro-forma, which must be completed and sent to our local Audit Manager by 30 September 2005 (31st July for upper tier authorities).
- 3.2 The proforma has been designed to invite Councils to assess their current performance in achieving and delivering VFM by answering a series of questions and providing brief supporting details. Fieldwork on site will follow up on areas identified within the self-assessment - focussing on "evidence of outcomes".
- 3.3 TDBC's VFM self-assessment, together with the Use of Resources self-assessment will be presented to our audit commission relationship manager, Rob Hathaway on 5th October 2005 (after which the fieldwork will begin).

The KLOEs (VFM Self Assessment)

- 3.4 There are 2 main KLOE (with lots of supporting questions!) – as set out below.

KLOE
The council currently achieves good vfm <ul style="list-style-type: none">- how well does the council currently achieve good vfm?- How well do the council's overall and service costs compare with others?- How do external factor affect costs and how do adjusted costs compare?- To what extent are costs commensurate with service delivery, performance, and the outcomes achieved?- To what extent do costs reflect policy decisions?
How well does the council manage and improve vfm <ul style="list-style-type: none">- how does the council monitor and review vfm?- How well has the council improved vfm and achieved efficiency gains over the last 3 years?- Do procurement and other spending decisions take account of full long-term costs?

Progress on VFM Self Assessment

- 3.5 A small project team has been formed to progress this assessment. The team is

Shirlene Adam, Brendan Cleere, Paul Carter, Emily Collacot, Rob North, Stewart Rutledge, Nathan Johnson, Simon Lewis.

- 3.6 The team have met twice so far and have gathered a vast database of information and evidence to support this assessment. The next stage is to “write the story” around the KLOEs and ensure we have the evidence to back our answers to the specific questions. The self-assessment must be no more than 5000 words, so remaining focussed on key messages is essential.

4. REQUIREMENTS OF CPA2 (UOR SELF ASSESSMENT)

- 4.1 All Councils are required to carry out a self-assessment of their performance in relation to Use of Resources key lines of enquiry (KLOEs). Although no written return is required to the audit commission, Councils are expected to have reviewed their current position against the KLOEs and be prepared to present “their case”. Once again, the deadline for this is the end of September 2005, and TDBC will present “their case” to the audit commission relationship manager, Rob Hathaway on 5th October 2005 (after which the fieldwork will begin).

The KLOEs (UOR Self Assessment)

- 4.2 There are 5 main KLOE (with lots of supporting questions!) – as set out below.

Financial Reporting

Financial Management

Financial Standing

Internal Control

Value for Money (which overlaps with the VFM self-assessment!)

Progress on UOR Self Assessment

- 4.3 Once again, a dedicated project team has been formed to progress this assessment. The team is

Shirlene Adam, Paul Carter, Emily Collacot, Liz Watkin, Steve Murphy, Stewart Rutledge, Simon Lewis.

- 4.4 The team have met frequently over the last 3 months and have carried out several self-assessments against the KLOEs. There are several areas where “improvement plans” have been put in place to try and improve our performance.

5. Raising The Bar – UOR and VFM Self-Assessments

- 5.1 The Audit Commission have recognised that this round of financial management assessments are “tougher” than those in CPA1. This is deliberate, and an attempt to “raise the bar”. This means that, if an authority scored top marks (4 out of 4) for a particular KLOE, it is likely that, under the new assessments, they would only score 3 out of 4.

5.2 This will have an impact on the assessments at Taunton Deane, which may have a knock-on effect on the CPA2 Corporate Assessment (and the Excellent rating).

6. The Direction of Travel Assessment

6.1 The audit commission have recently advised the council that a Direction of Travel Assessment will be required by the end of October 2005. This report is intended to briefly set out:-

- progress made since the last Corporate CPA Assessment, and
- to help the audit commission come to a view on both how well the Council is performing, and whether or not it is continuing to improve.

6.2 Work is now underway on planning this important assessment, and more details will be shared with Members as soon as it is available. The audit commission guidance on this is expected to be published mid September.

7. Recommendation

7.1 The Executive is requested to

A/ note the immediate requirements of CPA2 and the work that is currently underway to deliver the self-assessments and Direction of Travel Report; and

B/ note the latest version of the self-assessment returns and authorise the Strategic Director and Chief Executive to submit the authorities final self-assessment prior to the appropriate deadline.

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Background Paper

Review Board 8th Sept 2005

Comprehensive Performance Assessment 2 (CPA2) – Value For Money & Use of Resources Self-Assessments