

## **Executive – 18 July 2007**

Present: Councillor Henley (Chairman).  
Councillors Brooks, Coles, Horsley, Richard Lees, Mrs Smith and Alan Wedderkopp.

Officers: Ms S Adam (Strategic Director), Ms J Sillifant (ISiS Project Manager), Mrs K Hughes (Leisure Development Manager) and Mr G P Dyke (Democratic Services Manager).

Also Present: Councillors Bishop, Bowrah Cavill, Mrs Court-Stenning, Critchard, Denington, Farbahi, Hall, Hayward, Mrs Herbert, House, Miss James, Mrs Lees, Leighton, McMahon, Meikle, Slattery, P Smith, Mrs Stock-Williams, Stuart-Thorn, Thorne, Watson, Mrs Waymouth, D Wedderkopp, Williams, Miss Wood and Woolley .

(The meeting commenced at 6.15 pm.)

### **66. Apologies**

Councillors Mullins and Prior-Sankey

### **67. Minutes**

The minutes of the meeting held on 20 June 2007, copies of which had been circulated, were taken as read and were signed.

### **68. Declarations of Interest**

Councillors Henley and Brooks declared personal interests in relation to the ISiS item as County Councillors and Councillor Mrs Smith declared an interest in the same item as an employee of Somerset County Council. Councillors Horsley and Mrs Waymouth both declared a personal interest in the item relating to Review of Charges to charities for hiring public open space for events.

### **69. Public Question Time**

Colonel R Homeshaw submitted a statement which asked why Taunton Deane at present considered it necessary to penalise two charities rather than support them. He also asked why the economic benefits of such charitable events were not taken into account in the various reports. He felt that charities were not financially well placed.

Councillor Henley replied that these views would be taken into account when this matter was considered.

## **70. Review of the charges to Charities for hiring public open spaces for events**

Following a request from the Executive, submitted a report on the implications of not charging charitable organisations to hire public open spaces and parks for events.

In March 2005 the Health and Leisure Review Panel considered a report on charging for the hiring of public open spaces. This proposal formed part of the review of charging the public for all services within the Leisure portfolio prior to the setting up of Tone Leisure. A further report, taking into account the views of the Panel, was considered in September 2005.

The Executive, in March 2006 decided to formalise the hiring of public open space by introducing a hiring charged based on the cost to the Council of maintaining the area of land that was hired (and thus not available to the public for use) for the period of the hiring.

This charging structure had been applied successfully since May 2006 and the full list of hirings by charities to date was submitted, together with details of the full calculation method.

The charge in Vivary Park was by far the highest due to the high maintenance costs of an ornamental park.

The hiring charge was waived for:

- hirings by community groups organising an event on behalf of the Council,
- events which were intended to raise funds for the park and
- informal activities which add to the ambience of the park such as band concerts and morris dancers.

Discounts on the hire charge were given if the event delivered a Corporate Priority (eg Taunton Flower Show received a discount of 15% for its contribution to Economy) and if the event was run by volunteers (eg Taunton Flower Show received a 50% discount on this basis).

The income from all hire fees (commercial events and voluntary events) compensated the public for the loss of enjoyment of areas of public open space. The hiring fees were used to improve the parks service and contribute to the funding of the Park Wardens in the town centre parks and to the ability to invest in site improvements that other sources available to the Council could not pay for.

If the charge to charities were to be removed with immediate effect, there would be a loss of around £1,500 income in 2007/8 plus any further hirings this year that were not recoverable as there was not time to take adequate steps to do so.

The following were suggested as possible ways to raise income to cover the potential loss. These could be explored further by the appropriate Panel or Group:

1. Attract more events into Vivary Park: this may be possible in future years, but was not possible in the current financial year. There were staff implications in

handling significantly more events due to the site visits, preparation and checking of documentation etc. There was a limit to how many events Vivary Park could sustain without compromising its role as a public park and damaging the ground and infrastructure

2. Increase the charge to commercial event organisers: our research whilst developing the framework showed that the charges resulting in Vivary Park for commercial events were at the right level to keep Taunton an attractive venue
3. Introduce a profit sharing approach to commercial event hirings: there was a risk that income could go down if ticket sales were poor due to bad weather or poor marketing. The Council would need resources to engage in joint marketing to ensure high ticket sales.
4. Recalculate the charge based on the total cost to the Council of all its public open spaces: all sites would be charged out at the same cost resulting in higher income from site such as French Weir.

**RESOLVED** that:

- i) charges made to charitable organisations for the hire of public open spaces and parks for events be waived;
- ii) the Council's overview and scrutiny body be used to investigate ways in which additional income could be raised to cover the potential loss which would occur as a result of the decision

## **71. Improving Services in Somerset**

Mr Ian McCulloch on behalf of Taunton Deane Branch of UNISON submitted a statement which drew attention to the views, comments and concerns in relation to this project.

Nigel Behan, of Somerset County Council UNISON Branch also asked that Councillors ensured that the proposals were robustly scrutinised

Shirlene Adam, Strategic Director and Sue Barnes Project Director responded to many of the points raised in the statement.

Members received a detailed presentation which covered the following points. Much of the presentation was in "open" session during which members of the press and public were permitted to remain. However, there were aspects of the second part of the presentation which were classed as "Exempt" information and therefore the following resolution was passed:

### **Exclusion of Press and Public**

**RESOLVED** that the press and public be excluded from those parts of the meeting because of the likelihood that exempt information would otherwise be disclosed relating to Clause 7 of Schedule 12A of the Local Government Act 1972

In early 2005, Taunton Deane Borough Council (TDBC) and Somerset County Council (SCC) jointly embarked on an ambitious and revolutionary programme to transform public service delivery in Somerset.

The programme aimed to create a shared services environment for back-office functions, which would in turn facilitate the investment in technology, infrastructure and skills to transform the delivery of services to customers.

Members had been briefed on progress of the programme at regular intervals over the last 2 years. The most recent report was considered by both the Executive and Full Council of both TDBC and SCC in late March 2007. The unanimous decision of both Councils was to appoint IBM as the Preferred Bidder on the ISiS Programme, and delegated authority to the Strategic Director (SA) and the relevant Portfolio Holder to take forward negotiations as necessary to enable the contract to be finalised – focussing on the IBM Variant Bid proposals.

All Members had since had the opportunity to:-

- hear from the short listed bidders directly (Full Council Scrutiny Event (Part1) – Tuesday 26<sup>th</sup> June 2007); and
- hear a presentation by the Strategic Director (SA) on the contract negotiations and business case (Full Council Scrutiny Event (Part2) – Monday 16<sup>th</sup> July 2007).

The IBM Variant bid set out to achieve the Councils' broadest objectives and ambitions. The commercial offering was subdivided into elements which focussed on delivering enhanced support services, a major project to transform procurement across both authorities and a "menu" of transformation projects which effectively "translated" the aspirational elements of the Councils' ambitions into projects which could be funded from procurement savings.

At time of contract it was proposed that five "core" transformation projects would be contracted for (known as Wave 1 Transformation Projects). These projects were:

- a) Enterprise wide SAP ERP implementation (and enabling projects)
- b) Replaced Customer Relations Management systems and piloted Customer Access improvement
- c) Roll-out of the People Excellence Model throughout the JVCO, hopefully as a precursor to organization wide roll out.
- d) Full county wide property review commissioned
- e) Procurement transformation

The recommendation presented to Members in March suggested an ambitious target for contract signature by the end of June 2007, with a view to contract commencement mid-July 2007.

For several reasons, the major one being the overall complexity of the negotiations of this unique venture, it was agreed that a revised target for contract signature of 27 September 2007 was more realistic. This would enable the negotiating team to achieve the optimum benefits for the Councils for the Joint Venture, and potentially allow the contract commencement on 1<sup>st</sup> October to be aligned with that of the Police.

The business case presentation explained the “deal” as it currently stood, and requested Members to approve progression to contract closure on this basis (within agreed tolerances).

In order to fast-track some of the savings required to fund the transformation programme, the Councils were discussing options around fast-tracking elements of the procurement transformation project. This could involve the Councils agreeing to progress some work “up front” of the main contract being signed.

The negotiating process was extremely complex and had involved a large number of the Council’s officers in ensuring the contract eventually signed with IBM delivered according to our needs and aspirations.

Teams of officers had engaged IBM across a range of workstreams. The Commercials Workstream in particular had acquired some specialist negotiating skills which the three founding partners had “bought-in” from KPMG. The “added-value” this had brought to the deal would more than outweigh the costs incurred in bringing these skills to the programme.

The major negotiation strands were:

**Commercials** (including legal and finance) - to ensure we had an affordable business case that can be delivered within a legal framework.

**HR and Governance** - dealing with the key staffing issues and how the Joint Venture will be managed and directed.

**Communications** - reflecting the imperative to keep key stakeholders informed.

**Transformation** - to develop the key transformation projects into business cases.

**Operational** – to respond to the due diligence work to ensure the core services provided by the Joint Venture will effectively deliver to agreed standards and performance.

**Programme Management** – to support all of the above in terms of project planning, document management, administrative support, and meeting support.

As with earlier stages of the ISiS Programme, the Joint Members Advisory Panel (JMAP) had been closely involved in progress of the negotiations. In addition, the Joint Programme Board (made up of the corporate management team of the two Councils) had met regularly and provided guidance on points of principle for the negotiating progress.

It was proposed to continue this high intensity governance during the remainder of the negotiation process. Thereafter, the governance arrangements would change to support the “live” partnership. Details of the future governance arrangements were submitted.

MAANA Consultancy had very recently undertaken a Strategic Investment Review on the ISiS Programme. Informal feedback suggested that the programme was progressing well and Members were informed of the most up to date information.

The framework arrangements for the Partnership were drawn up so that other public sector organisations in the South West could also join, or benefit from the services that the Partnership would offer. To date, over 30 local authorities had expressed an interest in joining the arrangement. This particular initiative was being supported and developed on a regional basis through the South West Centre of Excellence. National interest was also gathering a head of steam, including interest from the Cabinet Office, at whose request a case study article had been written and published in their national Shared Services Bulletin.

Staff who fell within the scope of the ISiS Partnership and who would move to the Joint Venture arrangement needed to be properly prepared for, and supported through this significant change. Work was already taking place within these services to ensure there was a smooth and successful transition to the new arrangements and that staff and managers were properly prepared for this new environment.

Planning and preparation for change was not confined purely to these services that are “in scope” – setting up the Partnership was intended to help the whole Council transform the way that customers accessed and received its services.

The ISiS update report to Members in January 2007 predicted an overspend on the programme budget. This was based on “best estimates” of expected costs to bring the programme to closure by 1<sup>st</sup> July 2007. As requested, Officers looked at ways of funding this within existing approved budgets. As at the end of the financial year 06/07, TDBC had fully funded its share of the predicted overspend (by using salary vacancy savings etc). It was now appropriate to review this position, in light of the extended timetable, and the new negotiation resources.

The latest predicted budget position (again based on “best estimates” of expected costs (staff and consultancy) needed to bring the programme to closure by the end of September 07) also showed an overspend. The Council could part fund this predicted overspend from existing approved budgets – however it was unrealistic to assume that this would fully fund the overspend.

**RESOLVED** that Council be recommended that:-

- a. Taunton Deane Borough Council confirms its commitment to entering into a Joint Venture with IBM, subject to the satisfactory conclusion of the final negotiations based on the Variant A/B bid submitted by IBM;
- b. Delegated authority be given to the Chief Executive, together with the lead Portfolio Holder and the Leaders of the political Groups;
  1. To conclude those negotiations to enable the proposed contract with IBM to be finalised and to authorise the execution of the proposed contract (subject to the final deal being within the tolerances outlined at the meeting);
  2. To enter into such ancillary contracts and agreements as they may consider appropriate to achieve or facilitate the objectives of the ISiS programme and give effect to the negotiated terms;
  3. For avoidance of doubt, to agree to the creation of a Joint Venture company with IBM on such terms as the Strategic Director (SA) and Portfolio Holder consider appropriate;
  4. To commission IBM to commence interim work on the procurement transformation project on such terms as the Strategic Director (SA) and Portfolio Holder consider appropriate.
- c. a Supplementary Estimate of £130,000 from reserves be made to fund ISiS programme costs (£65k from General Fund and £65k from the HRA).
- d. The Strategic Director (SA) be authorised to approve the execution of a certificate under section 3 of the Local Government (Contracts) Act 1997 in relation to the contracts being entered into;
- e. That the five projects listed in the report be approved as the Wave 1 Transformation Projects and that the Strategic Director (SA), in consultation with the lead Portfolio Holder, be authorised to approve terms for the commissioning of these projects.
- f. the detailed governance arrangements (in particular member engagement) be developed through a Member Workshop and finalised by Strategic Director (SA) in consultation with the lead Portfolio Holder, and the Joint Members Advisory Panel.

(The meeting ended at 8.55p.m.)





## **Executive – 19 July 2007**

Present: Councillor Henley (Chairman).  
Councillors Brooks, Mullins Mrs Smith and Alan Wedderkopp.

Officers: Mrs P James (Chief Executive) Ms J Wishlade (Strategic Director), Mr J J Thornberry (Strategic Director), Mr R I Taylor (Chief Solicitor) Mr B Carpenter (Waste Services Manager), Mr P Carter (Financial Services Manager) and Mr G P Dyke (Democratic Services Manager).

(The meeting commenced at 2.00 pm.)

This meeting ran concurrently with meetings of the Executives and Cabinets of Mendip District, Sedgemoor District, South Somerset District, Somerset County, and West Somerset District Councils, as the partners in the Somerset Waste Partnership. All meetings considered the same recommendations for the Governance Arrangements and the Award of Refuse and Recycling Collection Contract.

### **72. Apologies**

Councillors Coles, Horsley, R Lees and Prior-Sankey

### **73. Declarations of Interest**

Councillors Henley and Brooks declared personal interests in relation to this item as members of Somerset County Council. Mr B Carpenter (Waste Services Manager) declared a personal interest as he was an officer reporting on an issue (Waste Partnership) which would affect his future employment.

### **74. Exclusion of Press and Public**

RESOLVED that the press and public be excluded from the meeting during item 7 on the agenda as this would involve the disclosure of financial and business information defined as exempt by paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972 (as amended).

### **75. Somerset Waste Partnership Presentations**

Detailed presentations were received from the Directors Implementation Group, on behalf of the Waste Partnership, on the proposed governance arrangements for the Somerset Waste Board and on the award of the recycling and refuse collection contract.

***Following presentations, the partner authorities returned to their separate meetings to discuss the recommendations on the following items.***

## **76. Governance Arrangements for the Somerset Waste Board**

Submitted report, previously circulated which dealt with all aspects of the future governance arrangements for the Somerset Waste Board. It highlighted the effects of previous decisions of the Executive in relation to the preparation of an associated Inter Authority Agreement and Constitution and reaffirmed decisions in respect of the creation of a Joint Committee and the divesting of waste responsibilities to it.

Consideration was also given to the appointment of two elected Members to represent the Council on the Somerset Waste Board and the approval of a "Commencement Date" on which the Somerset Waste Board would be established.

RESOLVED that:

1. the adoption of the Inter Authority Agreement and Constitution detailing the contractual, financial and operational arrangements between all the Partner Authorities and the administrative arrangements for the Somerset Waste Board respectively, and attached as Appendices A and B to the report be agreed;
2. the decision, that together with (Somerset County Council, Mendip District Council, Sedgemoor District Council, South Somerset District Council, and West Somerset District Council) and pursuant to Section 101(5) and 102 of the Local Government Act 1972 and regulations made under Section 20 of the Local Government Act 2000, to establish a Joint Committee to be called the Somerset Waste Board be reaffirmed;
3. the decision, that pursuant to Section 101(5) and 102 of the Local Government Act 1972 and regulations made under Section 20 of the Local Government Act 2000, to arrange for the statutory functions in respect of the recycling and collection of waste to be discharged by the Somerset Waste Board be reaffirmed;
4. 31 August 2007 or the date on which the contract is signed, whichever is the sooner, be agreed as the "Commencement Date" on which the Inter Authority Agreement and Constitution will come into force and on which the Somerset Waste Board will be established ;
5. Councillors Mullins and Brooks be appointed as the two Elected Members to represent the Council on the Somerset Waste Board, (one of whom must be the Portfolio Holder for Waste in accordance with the Constitution).
6. the Chief Executive be authorised to execute the Inter Authority Agreement on behalf of the Council.

***As agreed in Minute 74 above the next item was taken in private session.***

## **77. Recycling and Refuse Collection for the Somerset Waste Board – Award of Contract**

Considered the outcome of negotiations between the “Negotiation Team” (which had been nominated by the Directors Implementation Group (DIG) and authorised by the Executive) representing the partner authorities and representatives of ECT, the “Preferred Bidder” (appointed by the Executive).

The Negotiation Team, comprised of officers from the partner authorities and external consultant advisers had highlighted the major outcomes of the negotiations with ECT in “The Negotiations Report”, a copy of which was circulated with the agenda.

RESOLVED that

1. the “The Negotiation Report” be agreed;
2. the recommendation of “The Negotiation Report” be agreed and the contract for Recycling and Refuse Collection for the Somerset Waste Board be awarded to ECT. The contract initially to be for a period of seven years, commencing on 14<sup>th</sup> October 2007;
3. Somerset County Council, acting as the Administering Authority, be authorised to sign the contract with ECT on behalf of the Partner Authorities. In accordance with the “Alcatel Judgement” in relation to Public Services Contract Regulations this should not be before ten days had elapsed from the date of this report;
4. Council be recommended to agree a Supplementary Estimate from the General Fund reserves of £80,000 to fund the one off costs of the trials of the new methods of plastic and card kerbside collections.
5. SITA, who had been retained as the “Reserve Bidder” during the period of involvement in the negotiation be formally notified of the decision to award the contract to ECT, and thanked for their procurement process.

***The meeting adjourned at 3.30p.m. All the partner authorities then met in joint session to report their decisions.***

## **78. Decisions**

All 6 Councils reported that they had agreed the necessary resolutions to:

- i) Establish a joint committee to be known as the Somerset Waste Board;
- ii) Delegate their waste management functions to it;
- iii) Delegate authority to portfolio holders and/or officers to complete the Constitution and Inter Authority Agreement;
- iv) Appoint 2 members to represent their Councils on the Somerset Waste Board;
- v) Award the county wide recycling and waste collection contract to ECT subject to finalisation of the terms and conditions of the contract.

On behalf of the meeting the Chairman, Councillor Woolcombe-Adams thanked all concerned for their hard work in bringing this momentous agreement to fruition, and particularly those who had been involved in the Waste Partnership since its inception in 1992.

(The meeting ended at 4.10p.m.)